SLOVAK
INVESTMENT
HOLDING
SZRB GROUP

ANNUAL REPORT / 2020

TABLE OF CONTENTS

1

FOREWORD OF THE BOARD OF DIRECTORS

Dear Partners, Shareholders, Colleagues, Ladies and Gentlemen, Friends,

This year's annual report of the Slovak Investment Holding (SIH) Group is exceptional, as indeed was the year 2020. Slovakia, along with Europe and the entire world, faced an unprecedented challenge – the consequences of the pandemic affected every one of us. In such situations, institutions such as Slovak Investment Holding must step up and show their worth.

Let's look back at the past year with this in mind. The most important activity of the SIH Group was the preparation of financial instruments to assist enterprises during the pandemic. We created guarantee instruments (SIH antikorona záruka – Anti-Corona Guarantee), which allowed banks to provide concessionary bridging loans to enterprises operating in the Slovak Republic. The objective was to help these enterprises cope with the financial difficulties caused by the situation and to retain jobs despite the crisis. One of the consequences of the COVID-19 pandemic was the almost total cessation of the inflow of investments into Slovak innovative companies in their growth phase, and so we prepared another programme (SIH antikorona kapitál – Anti-Corona Capital) linked to the guarantee scheme. We joined forces with the Slovak Alliance for Innovative Economics and, with the support of the Ministry of Finance of the Slovak Republic, we launched a financial instrument to support innovative companies with convertible loans.

In addition to the anti-pandemic financial instruments, we also continued our standard activities. Our funds went to small and medium-sized enterprises via financial cooperation with Slovenská záručná a rozvojová banka, Unicredit Bank, Všeobecná úverová banka and Slovenská sporiteľňa. We successfully continued direct investments and invested in two promising companies – GymBeam and OMNIA KLF. The investment in GymBeam was the largest e-commerce investment in the history of Slovakia. The funds invested in OMNIA KLF will be used to develop innovations to improve the company's position in the European market.

In the energy efficiency sector, SIH in cooperation with the European Investment Advisory Hub (advisory platform of the European Investment Bank) provided support and technical assistance for the preparation of energy efficiency projects in Slovakia. The EIB and SIH identified significant market potential for energy efficiency investments via a guaranteed energy service. SIH also provided funding in this area, specifically a loan to KOOR for the development of the energy services market. The investment will be primarily made in the renovation of public buildings.

Our company did not slow down its investment plans and activities to support the social economy in Slovakia. Last year, SIH, Slovenská sporiteľňa and the Polish company Towarzystwo Inwestycji Społeczno-Ekonomicznych (TISE) launched cooperation to support the social economy by providing loans to social enterprises and enterprises with a social impact. In this sector, SIH, Social Financing SK (a subsidiary of Slovenská sporiteľňa) and the Slovenská sporiteľňa Foundation established a joint venture, Dostupný Domov (Affordable Home).

Another milestone last year was the implementation of the European Investment Bank's historic investment in Venture to Future Fund (a fund managed by Slovak Asset Management, a specialised subsidiary of SIH).

In 2020, we became an official member of the European Long-Term Investors Association (ELTI). We will seek to make the most of our cooperation – this platform allows us to communicate with European partners, discuss new forms of investment and inspire each other. This ongoing exchange of experience proved to be extremely valuable during the pandemic.

We are delighted with every success we achieved in 2020. Despite fears that 2021 as well will be marked by the negative impact of the pandemic on all areas of life, the Slovak Investment Holding Group will continue to look for ways to help people and the economy. In this respect, the most important activity will be planning with regard to public funds from EU sources – from the Recovery Plan or from "standard" EU funds.

We would also like to highlight the work and involvement of our colleagues and thank them for their tremendous commitment and high-quality work. We also thank our shareholders and business partners for their support, trust and loyalty in these difficult times. We appreciate this very much.

Board of Directors of Slovak Investment Holding

2

MAIN EVENTS OF 2020

January

Slovak Investment Holding (SIH), Slovenská sporiteľňa and the Polish company Towarzystwo Inwestycji Społeczno-Ekonomicznych (TISE) launched joint support for the social economy by providing loans to social enterprises and enterprises with a social impact.

February

Venture to Future Fund managed by Slovak Asset Management receives a historic investment from the European Investment Bank. The EIB, the Ministry of Finance of the Slovak Republic and Slovak Investment Holding undertook to invest in a new Slovak fund to support innovative small and medium-sized enterprises in the amount of EUR 40 million.

February

Slovak Investment Holding, Všeobecná úverová banka and Slovenská sporiteľňa launched financial cooperation to provide concessionary loans to small and medium-sized enterprises, supporting research and development and innovation activities in Slovakia.

February

Slovak Investment Holding, Social Financing SK (subsidiary of Slovenská sporiteľňa) and Nadácia Slovenskej sporiteľne established a joint venture Dostupný Domov (Affordable Home), whose task is to provide affordable housing for disadvantaged people and groups to increase employment and, workforce mobility and to provide improved housing for marginalised Roma communities.

March

Slovak Investment Holding and ODK Investment signed a venture capital investment in OMNIA KLF to develop innovations to strengthen its market position in the European market.

SLOVAK INVESTMENT HOLDING

March

Slovak Investment Holding responded promptly to the COVID-19 pandemic and launched a new financial assistance programme for small and medium-sized enterprises (SMEs) "SIH antikorona záruka" (SIH Anti-Corona Guarantee). The objective of concessionary bridging loans was to help SMEs cope with the financial difficulties caused by the unprecedented situation and to maintain jobs.

EUROPEAN ASSOCIATION ELTI LONG-TERM INVESTORS

April

Slovak Investment Holding became an official member of the European Long-Term Investors Association (ELTI). ELTI's objective is to support long-term investments in line with the goals and initiatives of the European Union. The main purpose of this international association is to promote sustainable development and job creation in all EU Member States.

SIH ANTIKORONA ZÁRUKA

April

The first three commercial banks signed an agreement on SIH Anti-Corona Guarantee. Slovenská sporiteľňa was the first commercial bank to join the financial assistance programme for small and medium-sized enterprises affected by the COVID-19 crisis. It was followed by BKS Bank and Všeobecná úverová banka.

May

Other major commercial banks joined the SIH Anti-Corona Guarantee Programme. UniCredit Bank, Oberbank, ČSOB, OTP Banka and Tatra banka also joined the portfolio of banks which, by signing the SIH Anti-Corona Guarantee, responded to the difficult times for business due to the pandemic.

GymBeam

May

SIH invested in the Slovak e-commerce platform GymBeam. The company develops, sells and distributes fitness nutritional supplements, functional foods and equipment for an active lifestyle in 13 countries in Central and Eastern Europe. It was the largest e-commerce investment in the history of Slovakia.

SIH ANTIKORONA ZÁRUKA 2

June

SIH introduced a new guarantee scheme. SIH antikorona záruka 2 (Anti-Corona Guarantee 2) was another programme of financial assistance for Slovak companies to mitigate the impacts of the COVID-19 pandemic.

June

The first three banks signed an agreement on SIH Anti-Corona Guarantee 2. Všeobecná úverová banka was the first commercial bank to join the new guarantee scheme. Subsequently, contracts were concluded with Tatra banka and Slovenská sporiteľňa.

July

ČSOB, BKS Bank, OTP Banka, SZRB and UniCredit Bank also joined the SIH Anti-Corona Guarantee Scheme 2. The banks were thus able to offer their clients assistance in the form of concessionary, state-guaranteed loans to overcome the problems caused by the pandemic. In the following months, the number of banks implementing this instrument increased to 11 (Oberbank, Poštová banka and J&T BANKA also joined the scheme).

Boataround

AEROMOBIL

July

We also signed additional investments to support the portfolio companies, Boataround and AeroMobil, which were affected by the pandemic.

SIH ANTIKORONA KAPITÁL

September

Slovak Investment Holding and the Slovak Alliance for Innovation Economy (SAPIE), supported by the Ministry of Finance of the Slovak Republic (MF SR), prepared the SIH Anti-corona Capital financial instrument to support innovative companies suffering adverse economic impacts caused by the COVID-19 pandemic.

September

The European Investment Bank (EIB) and Slovak Investment Holding signed an agreement on funding from the European Investment Advisory Hub under the EIB's call "Delivery of local investment advisory services by National Promotional Banks (NPBIs)". The objective is to attract additional investments into the energy efficiency sector.

CENTRAL EUROPEAN STARTUP AWARDS

December

Slovak Investment Holding was again a national finalist in the Investor of the Year 2020 category in the Central European Startup Awards (CESAwards).

December

Slovak Investment Holding provided funding for KOOR to develop the energy services market. Financial assistance is primarily for the renovation of public buildings. KOOR is a leader on the Slovak market in the provision of guaranteed energy savings, energy management and renewable energy sources.

December

SIH approved convertible loans for twelve innovative companies under the SIH Anti-Corona Capital Programme.

December

SIH signed an additional investment in the form of a convertible loan to the portfolio company, GA Holding.

3

NATIONAL DEVELOPMENT FUND II.

NATIONAL
DEVELOPMENT
FUND II.

HOW WE INVEST

Slovak Investment Holding (SIH) has implemented financial instruments from the European Structural and Investment Funds in the 2014-2020 programming period via NDF II. We implement our investment activities in two main ways:

Implementation of financial instruments via financial intermediaries

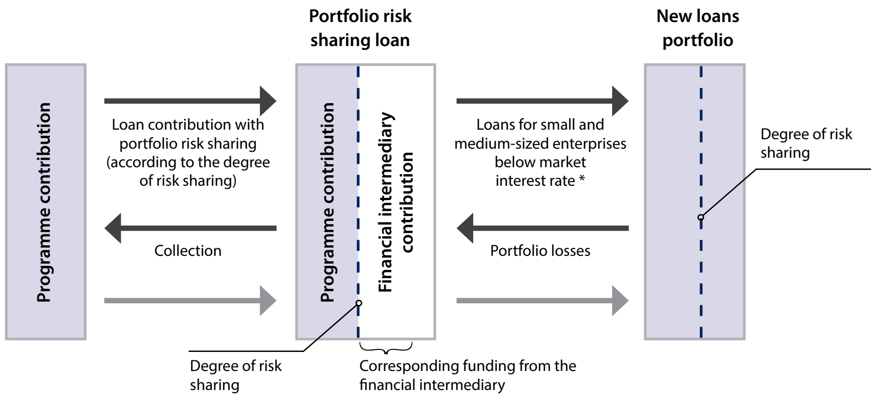
In areas where we support a relatively high number of projects with relatively low investment volumes, we implement financial instruments in an economically efficient manner via financial intermediaries, ie commercial banks, capital fund managers and other financial institutions. Financial intermediaries obtain funds, which are then provided to end beneficiaries under concessional terms and in accordance with the investment strategy. Individual investment decisions are taken independently by financial intermediaries and SIH has no input in this regard. Financial intermediaries are, in most cases, required to leverage the total investment funds by co-financing these projects from their own funds, or by raising funds from co-investors. This is how SIH implements financial instruments in most of its investment areas.

Implementation of financial instruments directly, without financial intermediaries

In areas where we support a relatively low number of projects with relatively high investment volumes, we implement financial instruments in an economically efficient manner directly without financial intermediaries. We use this investment model, in line with the EIB's ex-ante analysis and SIH's investment strategy, to support infrastructure projects. Examples include the mezzanine financing for the Zero Bypass Limited consortium for the D4/R7 PPP project, and the loan to ŽSR (Slovak Rail) for a diagnostic vehicle project. We also use the direct investment model, in line with the EIB's ex-ante analysis and SIH's investment strategy, for venture capital financing of innovative enterprises. We have supported several highly-innovative Slovak companies in this way, whose names and products are known worldwide. We undertake direct investments in companies using a co-investment model, ie we may only invest if there is co-investment by an independent private investor.

TYPES OF FINANCIAL INSTRUMENTS WE OFFER[1]

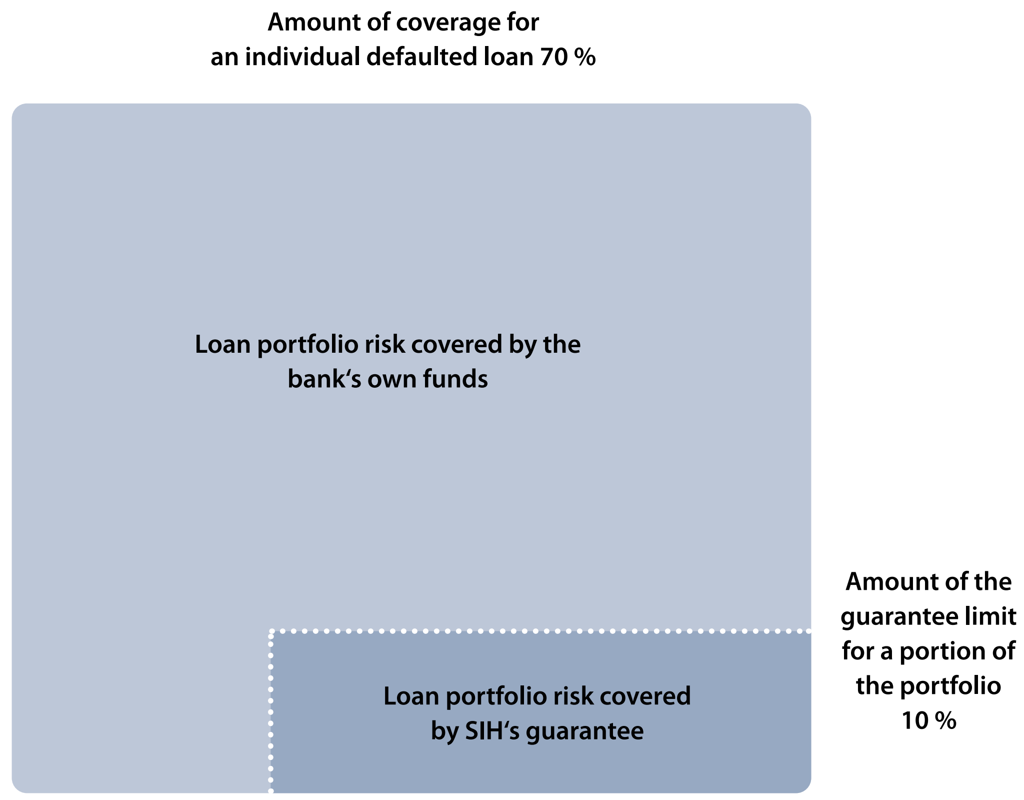
A portfolio risk sharing loan works as follows:
SIH provides a loan to a commercial bank selected by public procurement. The bank then creates a portfolio of loans for end beneficiaries (eg SMEs, managers of residential buildings, social enterprises, etc), which are financed partly from SIH's funds and partly from the bank's own funds. SIH and the bank share the risk of loan defaults from the newly created loan portfolio proportionally. After the loans have been repaid by the end beneficiaries, funds are returned to SIH. SIH may then use them to support new projects in the same investment area.



* The benefit of the interest rate will be passed on in full to SMEs

[1] The described types of financial instruments are for illustrative purposes only. SIH implements a high number of financial instruments in different investment areas and, therefore, individual instruments may differ from the illustrative examples.

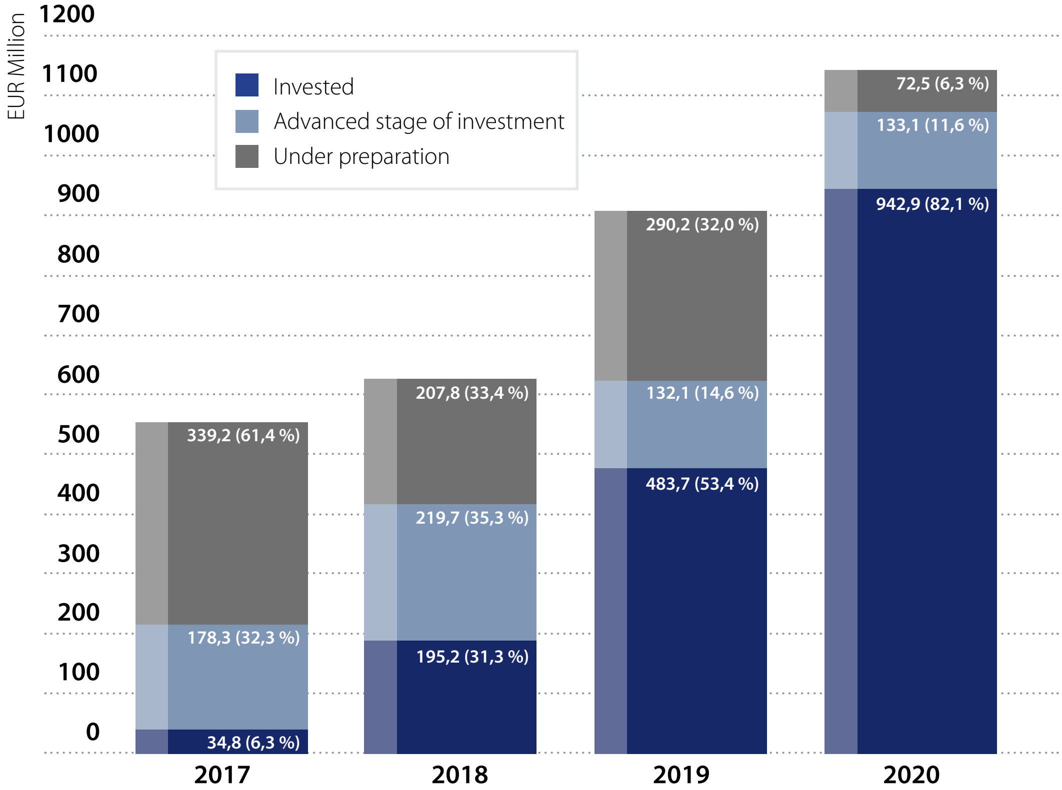
The **Loss Portfolio Guarantee** works as follows:
SIH provides a loss portfolio guarantee in favour of commercial banks operating in the Slovak Republic. The bank creates a portfolio of loans for end beneficiaries (eg SMEs, residential buildings, social enterprises, etc), which are financed solely from the bank's own funds. SIH then reimburses the bank for a specific portion of the loss from each defaulted loan (the "defaulted loan coverage amount") until the volume of defaulted loans exceeds a specific maximum level in the portfolio of newly-created loans (the "portfolio guarantee limit"). The portion of the guarantee that is not used to cover the bank's losses at the end of the investment period may be used to support new loans or projects in the same investment area. An illustrative example of setting the bank guarantee (the ratio of the risk borne by the bank and the risk borne by NDF II. differs depending on the terms of agreements with individual banks and the specific financial instrument):



Venture capital financing works as follows:
SIH provides venture capital financing either via external fund managers or directly. The fund manager (or SIH for direct investments) creates a portfolio of venture capital investments at the level of end beneficiaries (eg innovative SMEs, waste management companies, etc). Investments take the form of venture capital or quasi-venture capital financing. The fund manager's venture capital investment (or that of SIH) acquires a stake in the assets of the target enterprise. After increasing the value of the investment, the fund manager (or SIH) exits the enterprise and sells its stake to a third investor. Funds used in this way are returned to SIH, which may reuse them to support new projects in the same investment area.

BREAKTHROUGH YEAR FOR INVESTMENT ACTIVITIES

Despite the complicated regulatory framework for financial instruments in the EU, and especially in Slovakia, SIH made substantial progress in 2020 in managing NDF II and implementing financial instruments. At the end of 2020, we had invested more than 82.1% of all the available and contracted funds managed by NDF II.[2] This indicator amounted to 53.4% last year and it should be noted that we achieved a favourable result, despite another significant increase in the overall allocation, which exceeded one billion euro. This is proof of the intensive investment activities of our team in 2020 and previous years. Other allocations for financial instruments amounting to 11.6% of available funds of NDF II. were in an advanced stage of investment at the end of 2020.[3] Almost 94% of available funds managed by NDF II. were reinvested at the end of 2020, or were in an advanced stage of investment.



[1] In this context, reinvestment means an investment in an end beneficiary for our direct investments, or an investment in a financial intermediary for our indirect investments. In this context, available funds are those that SIH/NDF II. were authorised to implement in 2020.
[2] In this context, the advanced stage of investment means that the relevant funds are just before the conclusion of a financing agreement, or that public procurement for their management is in progress.

DIRECT VENTURE CAPITAL INVESTMENTS (in 2020)

Following the decision of SIH's Board of Directors in late 2017 to start making direct venture capital and quasi-venture capital investments in SMEs in the growth phase, and after their successful implementation during 2018, SIH continued the same activities in 2019.

OMNIA KLF

Target company: **OMNIA KLF**
Sector: metal-working industry
Innovative potential: the company's products have successfully penetrated a very promising market of renewable sources, electromobility, alternative forms of energy production, rail transport, etc.
Form of investment: venture capital
Co-investor: ODK Investment, spol. s r. o.
Investment date: March 2020

AEROMOBIL

Target company: **AeroMobil R&D**
Sector: aviation/automotive industry
Innovative product: flying hybrid vehicle
Form of investment: loan
Co-investor: Focus Capital (2003) Ltd., PMK Invest, s. r. o., ULTIMATE TECHNOLOGIES LIMITED
Investment date: September 2020

GA Drilling

Target company:	**GA Holding**
Sector:	energy
Innovative product:	non-contact drilling using plasma
Form of investment:	convertible loan
Co-investor:	Beyond Black, GAD-FKC (Berlin Technologie Holding), small investors (natural persons)
Investment date:	December 2020

GymBeam

Target company:	**GymBeam**
Sector:	E-commerce
Innovative product:	innovative integrated eCommerce platform for a healthy nutrition and lifestyle
Form of investment:	convertible loan
Co-investor:	a group of private investors associated with the Crowdberry platform
Investment date:	May 2020

Boataround

Target company:	**Boataround**
Sector:	digital economy/tourism
Innovative product:	the largest catalogue for online reservations of boats, yachts and catamarans anywhere in the world
Form of investment:	convertible loan to bridge the pandemic period. In December 2020, this loan was converted into the company's capital
Co-investor:	HUX Holdings Limited
Investment date:	July 2020

SIH HELPS DURING THE PANDEMIC

SIH ANTI-CORONA GUARANTEE – a programme of financial assistance to enterprises during the pandemic

At the start of the COVID-19 pandemic, Slovak Investment Holding prepared the SIH Anti-Corona Guarantee financial instrument to support small and medium-sized enterprises, in particular their operational needs during the pandemic. Concessionary bridging loans are provided via banks operating in the Slovak Republic. The first agreements with banks involved in the implementation of the instrument were signed in April 2020. The following eight banks joined the SIH Anti-Corona Guarantee 1 (SIHAZ 1) programme: Oberbank AG pobočka zahraničnej banky v Slovenskej republike, Slovenská sporiteľňa, a. s., UniCredit Bank Czech Republic and Slovakia, a. s., pobočka zahraničnej banky, Československá obchodná banka, a. s., Všeobecná úverová banka, a. s., OTP Banka Slovensko, a. s., Tatra banka, a. s. and BKS Bank AG, pobočka zahraničnej banky v SR. The financial instrument also includes an interest subsidy up to 4% p. a., which is granted to the client if they maintain the level of employment in the reference period. By the end of 2020, 2 226 loans totalling EUR 311 886 570 were provided via SIHAZ 1.

Following the increase in the allocation to NDF II. by the Ministry of Economy of the Slovak Republic, SIH prepared another instrument, SIH Anti-Corona Guarantee 2 (consisting of the SIHAZ 2a and SIHAZ 2b programmes – see Section 4), in which the following 11 banks participate: Všeobecná úverová banka, a. s., Slovenská sporiteľňa, a. s., Tatra banka, a. s., UniCredit Bank Czech Republic and Slovakia, a. s., pobočka zahraničnej banky, Slovenská záručná a rozvojová banka, a. s., Československá obchodná banka, a. s., OTP Banka Slovensko, a. s., BKS Bank AG, pobočka zahraničnej banky v SR, Oberbank AG pobočka zahraničnej banky v Slovenskej republike, Poštová banka, a. s. and J & T BANKA, a. s., pobočka zahraničnej banky. SIHAZ 2 is funded from the Operational Programme Integrated Infrastructure (OPII) and from state financial assets. Based on demand from bank clients, SIH reallocated funds between SIHAZ 2 and SIHAZ 1 during 2020 to address the higher demand for the SIHAZ 1 instrument. By the end of 2020, 3 305 loans totalling EUR 205 728 114.01 were provided via SIHAZ 2, funded by OPII. By the end of 2020, 1 721 loans totalling EUR 179 621 338.00 were provided via SIHAZ 2, funded by state financial assets. The loans provided via the SIH Anti-Corona Guarantee instruments at the end of 2020 totalled almost EUR 700 million. In early 2021, unused funds from SIHAZ 2, funded from OPII, will be transferred to SIHAZ 1. SIH expects that the transferred funds will be allocated to banks in Q1 2021. As a result of higher demand for the SIH Anti-Corona Guarantee instrument, SIH reduced the allocation for guarantee financial instruments for research, development and innovation projects in an amount exceeding EUR 40 million, which will be reallocated to SIHAZ 1 in Q2 2021. The availability period for SIHAZ 2, funded from state financial assets, will be extended.

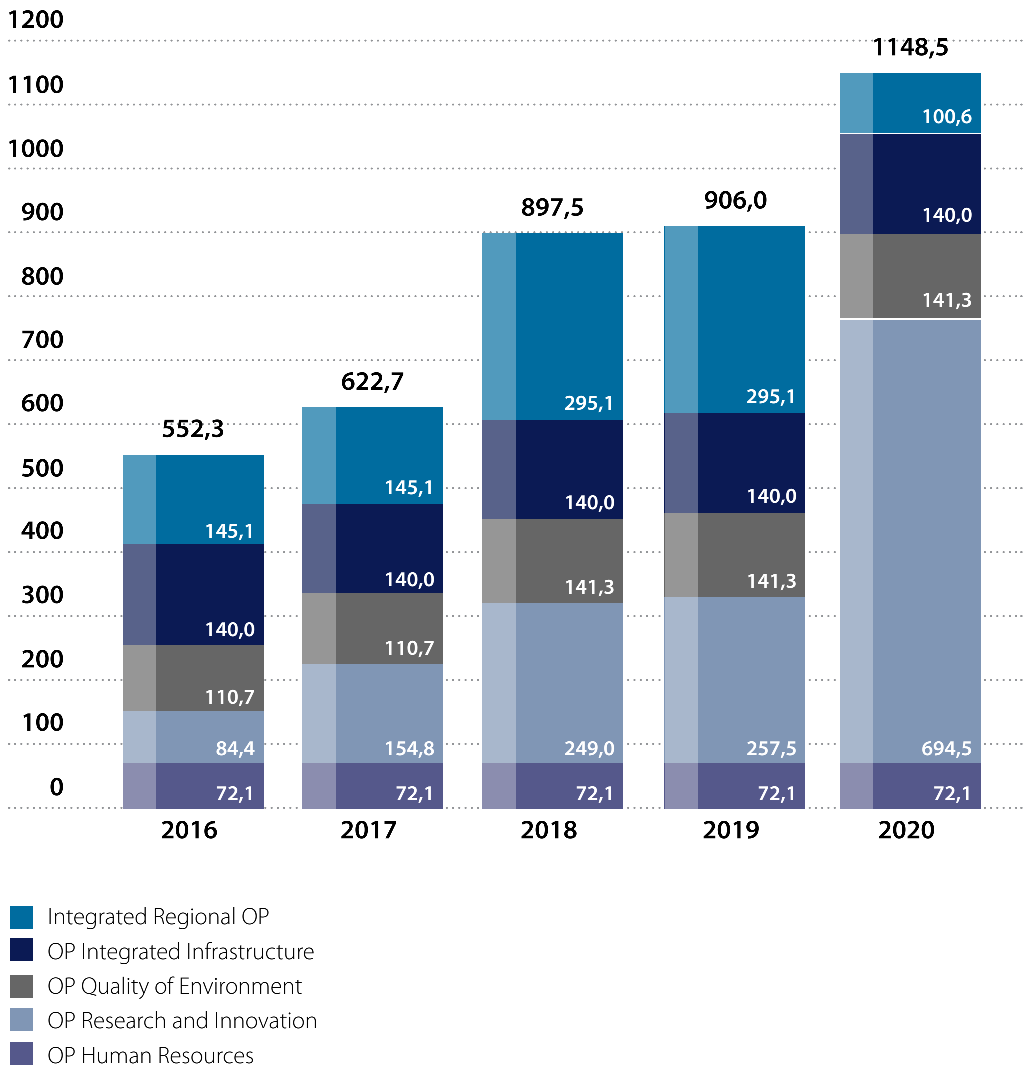
SIH ANTI-CORONA CAPITAL

One of SIH's responses to the economic impacts of the COVID-19 pandemic was the SIH Anti-Corona Capital Programme (SIHAK), prepared in cooperation with the Ministry of Finance of the Slovak Republic and the Slovak Alliance for Innovation Economy (SAPIE). SIHAK is a convertible loan primarily for innovative companies, which are funded by venture capital. These companies do not usually qualify for traditional loan financing due to a lack of profitability as a result of being in a growth phase and related operating investments in the development and implementation of products and services. The COVID-19 pandemic had a direct impact on companies by reducing their revenues, and also caused uncertainty in financial markets, which had a serious impact on the European venture capital market and led to the disruption or postponement of investments. However, these investments are necessary for the development of innovative companies, the gradual transition to the knowledge economy and support for the competitiveness of the Slovak Republic and the EU in the long term.

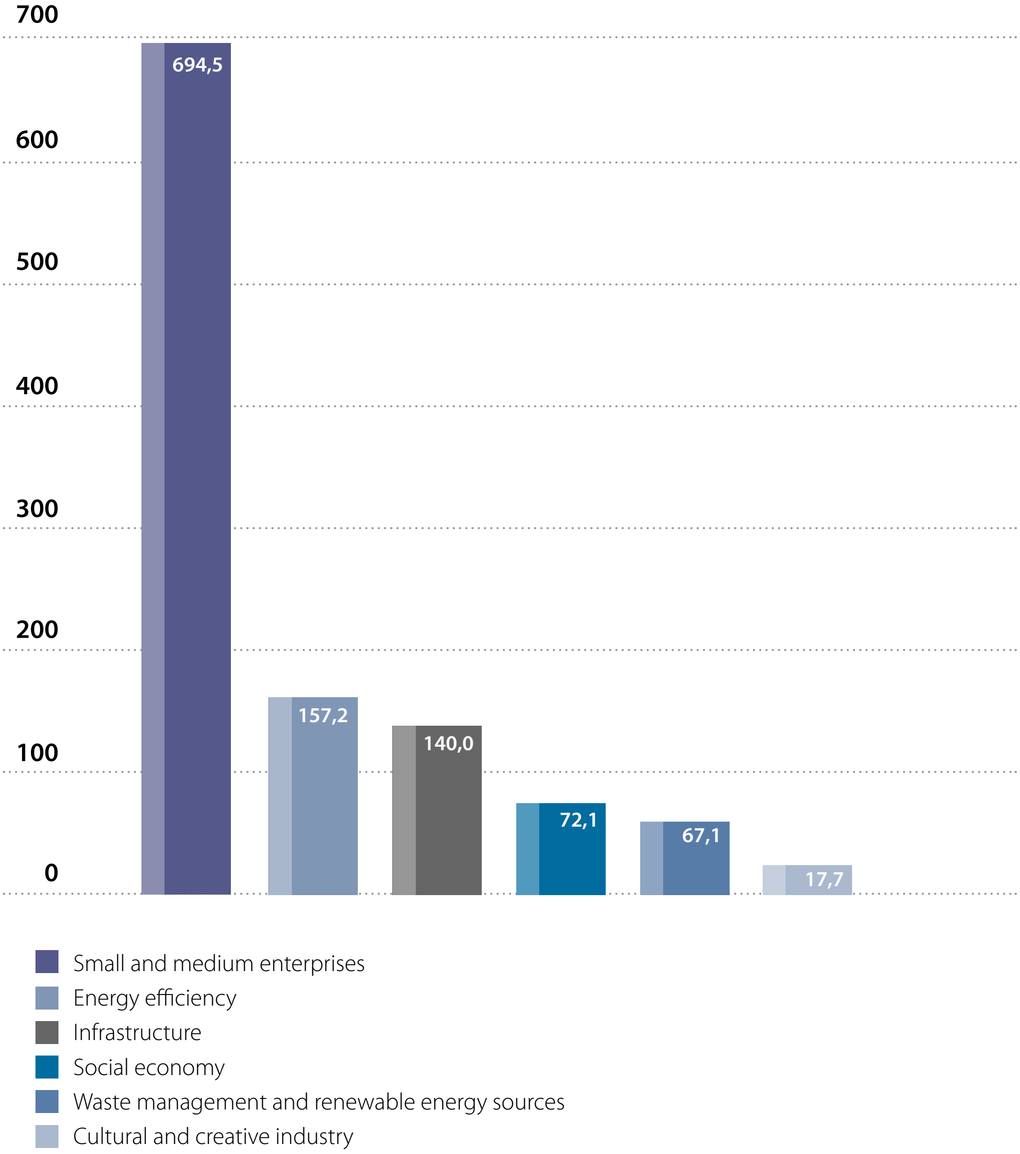
As at 31 December 2020, SIH approved 3-year convertible loans of between EUR 200 thousand to EUR 645 thousand for 12 companies, with a total allocation of approximately EUR 6 million. As at the date of this report, SIH signed a contract with the first recipient – PeWaS s. r. o., which develops innovative seed treatment products with significant potential in the fight against climate change. SIHAK is based on the European Commission's Temporary Framework for State Aid Measures to Support the Economy in the Current COVID-19 Outbreak.

OUR FUNDS AND INVESTMENT AREAS

Amount of NDF II. funds by operational programme (EUR million)



Allocation of NDF II. funds by area 2020 (EUR million)



IMPLEMENTATION BY OPERATIONAL PROGRAMMES

Operational Programme
Integrated Infrastructure

OPERAČNÝ PROGRAM INTEGROVANÁ INFRAŠTRUKTÚRA 2014-2020

NATIONAL DEVELOPMENT FUND II.

The European Commission officially approved a merger of the Operational Programme Integrated Infrastructure (OPII) with the Operational Programme Research and Innovation (OPRI). As a result of the merger into a successful programme under the auspices of the Ministry of Transport and Construction of the Slovak Republic, the decommitment will not affect approximately EUR 100 million intended for Slovak science, research and innovation. Technically, the OPRI is incorporated into the OPII, which includes new priority axes (9 to 13) with a single managing authority (Ministry of Transport) and a single monitoring committee. The Ministry of Education, Science, Research and Sport of the Slovak Republic and the Ministry of Economy of the Slovak Republic became intermediate authorities with delegated powers to implement supporting projects focused on research and innovation.

For the sake of clarity, the OPII and OPRI are listed below separately.

Party	Allocation to NDF II.	Drawn (EUR)	Other
Ministry of Transport, Construction and Regional Development of the Slovak Republic	**EUR 139 999 250**	**67 350 732** **First tranche: 34 999 812** **Second tranche: 25 617 853** **Increase in the second tranche: 6 733 067**	**Effective date of the contract: 22 May 2015**

Instrument/Area	Information
D4R7 Project Net allocation: EUR 28 million	- Subordinated loan for Bratislava motorway bypass construction - The investment has been made and the project is being monitored
ŽSR project – Diagnostic vehicles Net allocation: EUR 30 million	- Loan for ŽSR (Slovak Rail) for the purchase of two diagnostic vehicles - The loan is drawn in two tranches and EUR 30 million has already been drawn.
Alternative fuels	- A revision of the operational programme to support alternative fuels was performed. We are assessing several projects for the development and manufacture of battery systems or BioLNG fuels.
Other areas	- In cooperation with the Ministry of Transport and Construction of the Slovak Republic, SIH is exploring additional possibilities for the use of financial instruments, eg in the area of electric mobility and alternative fuels, intermodal terminals, railway and road infrastructure, etc.

Operational Programme
Integrated Infrastructure

OPERAČNÝ PROGRAM INTEGROVANÁ INFRAŠTRUKTÚRA 2014-2020

NATIONAL DEVELOPMENT FUND II.

Party	Allocation to NDF II.	Drawn (EUR)	Other
Ministry of Transport and Construction of the Slovak Republic (represented by the Ministry of Economy of the Slovak Republic)	EUR 694 524 976,01	**Total amount of drawn tranches:** 185 462 325,39 EUR	

Instrument/Area	Information
Fund for the support of start-ups Net allocation:EUR 68.08 million	- Fund managers: Vision Ventures, CB Investment Management, Zero Gravity Capital (Limerock and 0100 Ventures) - Investments are ongoing – 32 investments from funds totalling EUR 19.4 million have been made, of which the NDF II. portion amounts to EUR 19 million.
Direct investments in Bratislava Net allocation: EUR 17.6 million	- Realised: Boataround – EUR 0.35 million; Aeromobil – EUR 2.8 million; Boataround – EUR 0.05 million (exit); Boataround – EUR 0.12 million; Aeromobil – EUR 0.3 million - SIHAK instrument – a convertible loan granted for 8 companies; investments totalling EUR 3.6 million
Direct investments outside Bratislava Net allocation: EUR 32.08 million	- Realised: GA Drilling – EUR 4.6 million; Greenway – EUR 5.0 million, KOOR – EUR 2.0 million; QRES – EUR 1.9 million; Enstra – EUR 2.8 million; OMNIA KLF – EUR 2.8 million; GymBeam – EUR 2 million, GA Drilling – EUR 2.0 million - SIHAK instrument – a convertible loan granted for 5 companies; investments totalling EUR 2.7 million

Operational Programme
Integrated Infrastructure

OPERAČNÝ PROGRAM INTEGROVANÁ INFRAŠTRUKTÚRA 2014-2020

NATIONAL DEVELOPMENT FUND II.

Instrument/Area	Information
Portfolio risk-sharing loan (PRSL) for SMEs Net allocation: EUR 24.2 million	- Party: SZRB - Currently drawn funds from NDF II. by SZRB: EUR 12.5 million (of which EUR 0.5 million for the Bratislava Self-Governing Region (BSK) and EUR 12 million outside BSK) - 76 loans granted amounting to EUR 20.4 million
First loss portfolio guarantee (FLPG) for SMEs Net allocation: EUR 12.1 million	- Party: UCB - Cash coverage (25%) amounting to EUR 3.025 million - 73 loans granted amounting to EUR 30.64 million
FLPG for SMEs in research, development and innovation Net allocation: EUR 49.12 million (subject to a decrease in Q1 2021)	- Parties: SLSP; VÚB - 11 loans granted amounting to EUR 5.43 million - In Q1 2021, the allocation will be partially decreased and the funds will be transferred to SIHAZ1
SIHAZ 1 Net allocation: EUR 181.81 million (Allocation for a guarantee of EUR 145.45 million and for an interest subsidy of EUR 36.36 million)	- Parties: SLSP; BKS; VÚB; UCB; Oberbank; ČSOB; OTP; TB - 2 226 loans granted amounting to EUR 311.88 million
SSIHAZ 2A Net allocation: EUR 256.2 million	- Parties: VÚB; SLSP; TB; ČSOB; SZRB; BKS; UCB; OTP; Poštová banka; J&T; Oberbank - 3 305 loans granted amounting to EUR 205.73 million

Integrated Regional Operational Programme

Integrovaný regionálny operačný program 2014 - 2020

NATIONAL DEVELOPMENT FUND II.

Party	Allocation to NDF II.	Drawn (EUR)	Other
Ministry of Agriculture and Rural Development of the Slovak Republic	Energy efficiency & cultural and creative industries EUR 195 131 532	EUR 48 783 112	
	Healthcare Initially: EUR 100 000 000.00 - The allocation was fully cancelled and returned to tackle the COVID-19 pandemic. The allocation of EUR 100 million was decreased to EUR 0.		

Instrument/Area	Information
Energy efficiency of residential buildings 1 – PRSL Net allocation: EUR 39.4 million (subject to a decrease in Q1 2021)	- Party: OTP Banka Slovensko - In Q1 2021, the allocation will be decreased and the funds will be released for COVID-19 measures
Energy efficiency of residential buildings 2 – PRSL Net allocation: EUR 39.8 million	- The contract with SLSP was signed on 13 October 2020
Cultural and creative industries Net allocation: EUR 15 million	- Several projects were identified based on an update of the ex-ante analysis with regard to the cultural and creative industries. The most advanced projects include Kúpele Grossling (Grossling spa), Nová Cvernovka and Múzeum literatúry Revúca (Museum of Literature in Revúca), with a potential investment of up to EUR 4.5 million, EUR 5.6 million and EUR 2.5 million, respectively.. - Transfer of EUR 38.2 million to COVID-19 measures
Healthcare Net allocation: EUR 0 million	- The allocation was fully cancelled and the funds initially allocated for the Nemocnica budúcnosti Martin (Hospital of the Future in Martin) project were transferred to COVID-19 measures.

Operational Programme
Quality of Environment

OPERAČNÝ PROGRAM KVALITA ŽIVOTNÉHO PROSTREDIA

NATIONAL DEVELOPMENT FUND II.

Party	Allocation to NDF II.	Drawn (EUR)	Other
Ministry of Environment of the Slovak Republic	EUR 141 337 652	EUR 35 334 413	

Instrument/Area	Information
Co-investment fund to support waste management and renewable energy sources Netallocation: EUR 62.37 million for waste management +EUR 5.47 million for renewable energy sources	- Fund managers: Wasteland, CEE, IPM - Investments are ongoing - 6 investments from funds totalling EUR 16.53 million have been contracted, of which the NDFII. portion amounts to EUR 15.75 million
Energy efficiency of public buildings Netallocation: EUR41.7 million	- In September 2019, SIH in cooperation with the EIB launched a technical assistance project fortowns and cities/self-governments to prepare GES projects. - Along-term loan for the reconstruction of public buildings in the amount of EUR 10 million wasgranted in December 2020 to a providerof guaranteed energy Services - KOOR. - A high degree of completion of contracts with other GES providers
Energy efficiency of SMEs Netallocation: EUR21.9 million	- Along-term loan for the reconstruction of public buildings in the amount of EUR 5 million wasgranted in December 2020 to a providerof guaranteed energy Services - KOOR. - A high degree of completion of contracts with other GES providers/providers of energy Services for enterprises.

Operational Programme
Human Resources

OPERAČNÝ PROGRAM
ĽUDSKÉ ZDROJE

NATIONAL DEVELOPMENT FUND II.

Party	Allocation to NDF II.	Drawn	Other
Ministry of Labour, Social Affairs and Family of the Slovak Republic	Support for social enterprises EUR 58 500 000	EUR 14 625 000 First tranche: EUR 14 625 000	Effective date of the contract: 14 May 2016 Effective date of Amendment No. 1: 20 May 2016 Effective date of Amendment No. 2: 18 Jan 2017 Effective date of Amendment No. 3: 17 July 2018
Ministry of Interior of the Slovak Republic	Support for housing for marginalised Roma communities and social enterprises EUR 13 571 195	EUR 3 392 799 First tranche: EUR 3 392 799	Effective date of the contract: 5 Apr 2016 Effective date of Amendment No. 1: 11 Nov 2016 Effective date of Amendment No. 2: 21 Nov 2017

Instrument/Area	Information
Guarantee instrument for the social economy Contracted allocation: EUR 7.31 million	- Parties: - Slovenská sporiteľňa, a. s. (EUR 5.85 million) - Towarzystwo Inwestycji Spoleczno-Ekonomicznych SA (TISE) (EUR 1.46 million)
Direct investment in social housing Contracted allocation: EUR 25 million	- A joint venture, Dostupný Domov, j. s. a., established with partners Social Financing SK (SLSP) and Nadácia SLSP (foundation)
Loan instrument social enterprises and social housing Tendered allocation: EUR 12.57 million	- Successful tenderers: SLSP (EUR 9.82 million), TISE (EUR 2.75 million) - The public procurement is being reviewed
Equity instrument for social economy enterprises Tendered allocation: EUR 22.6 million	- The public procurement was announced on 29 December 2020. - Five tenderers, estimated date of contract signing – June 2021

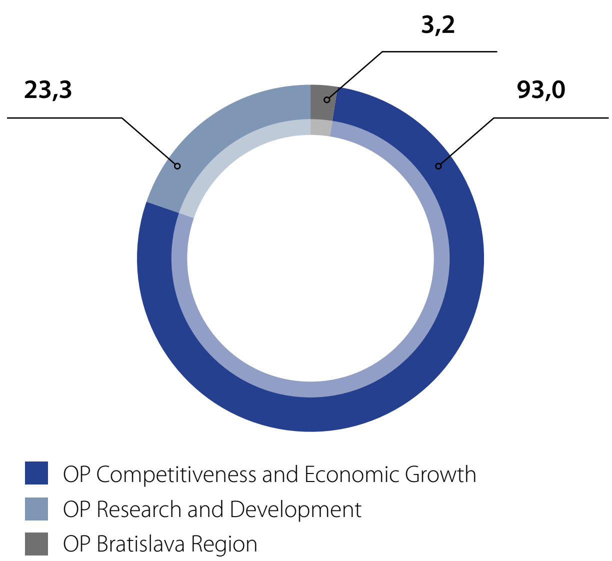
4

NATIONAL DEVELOPMENT FUND I – FINANCIAL INSTRUMENTS FOR THE 2007-2013 PROGRAMMING PERIOD

NATIONAL
DEVELOPMENT
FUND I.

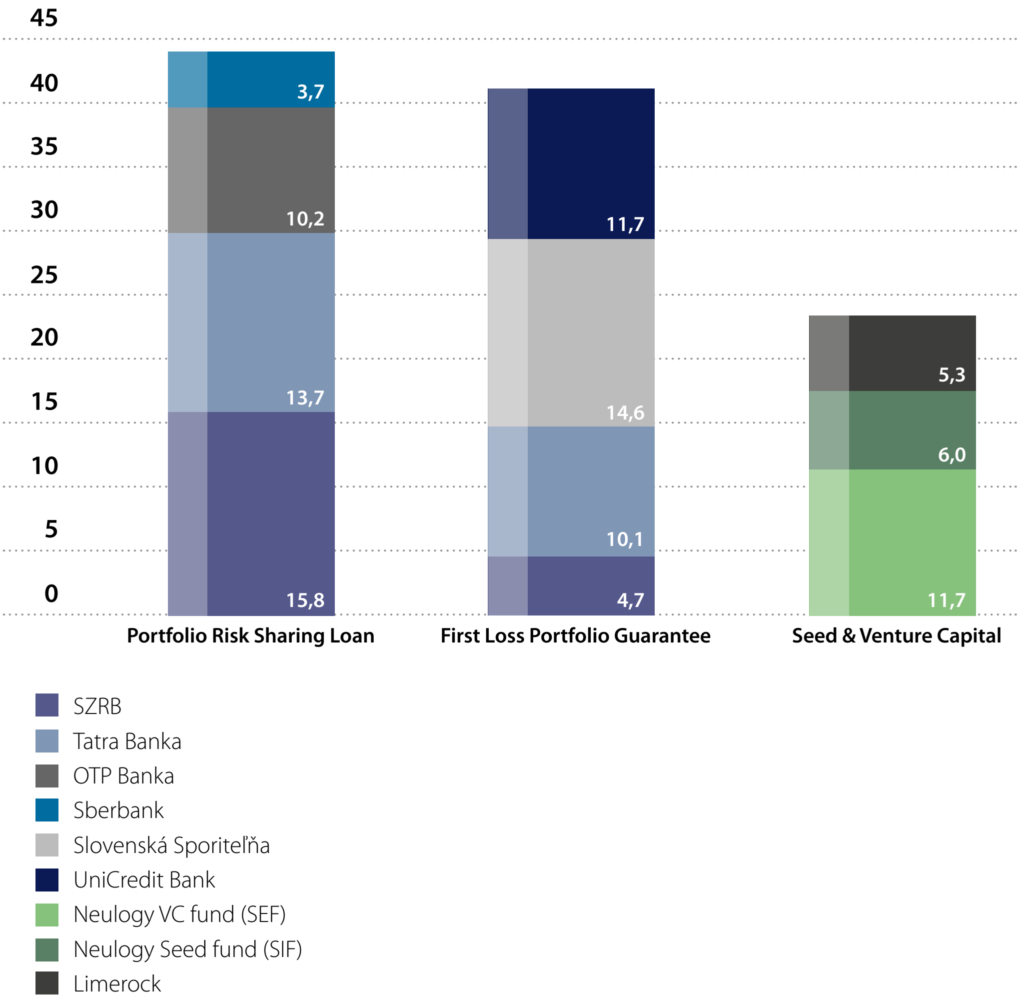
The main role of SIH in the administration of NDF. I is to manage the portfolio of investments funded under the JEREMIE programme from EU Structural Funds in the 2007-2013 programming period. The aim of the programme was to support SMEs. Funds for this investment programme came from the managing authorities administering the Operational Programme Competitiveness and Economic Growth, Operational Programme Research and Development and Operational Programme Bratislava Region. The final amount of funds is shown in the graph below.

Amount of NDF I. funds by operational programme (EUR million)

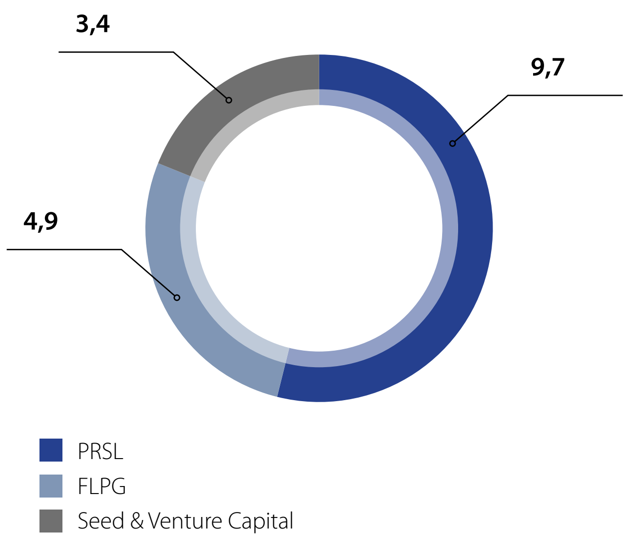


The portfolio of funds contracted in NDF I. at the end of the investment period (as at 31 October 2016) is shown in the chart below. Almost EUR 23 million was allocated for venture capital financing of SMEs and the implementation was carried out by the fund managers Limerock Fund Manager and Neulogy Ventures. More than EUR 41 million was used for the first loss portfolio guarantee financial instrument implemented by Slovenská sporiteľňa, Slovenská záručná a rozvojová banka, Tatra banka and UniCredit Bank, and EUR 43.4 million was used for a portfolio risk sharing loan via financial intermediaries OTP Banka Slovensko, Sberbank Slovensko (currently Prima banka Slovensko), Slovenská záručná a rozvojová banka and Tatra banka. The financial intermediaries were selected by the original manager of NDF I., the European Investment Fund.

Allocation of NDF I. investments by financial intermediary and instrument (EUR million)

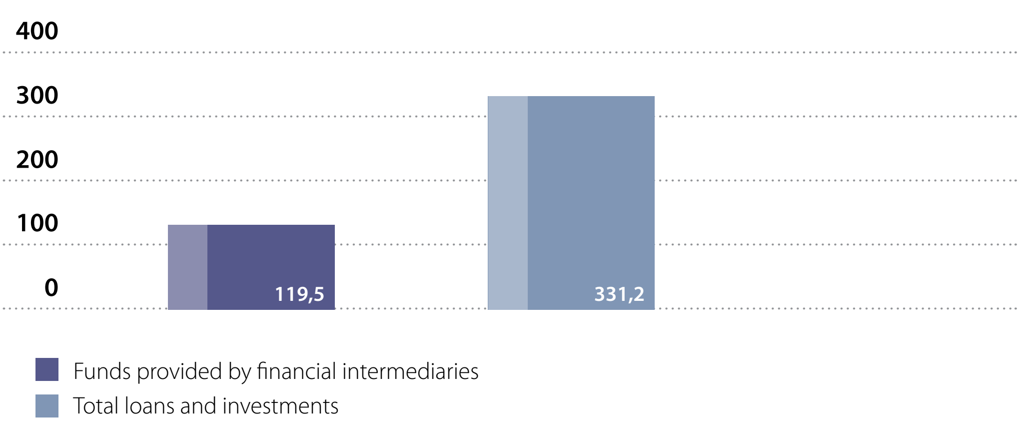


In 2020, there were reflows from the funds contracted in NDF I. EUR 5.5 million was returned from the portfolio risk sharing loan (PRSL) instrument. In 2020, there were EUR 0.5 million of reflows from the first loss portfolio guarantee (FLPG) instrument. The manager returned EUR 0.3 million from the venture capital instrument in connection with an investment. A portion of the reflows, EUR 5 million, was subsequently contractually allocated to the investment in VFF, of which EUR 71 thousand was drawn to VFF during 2020.



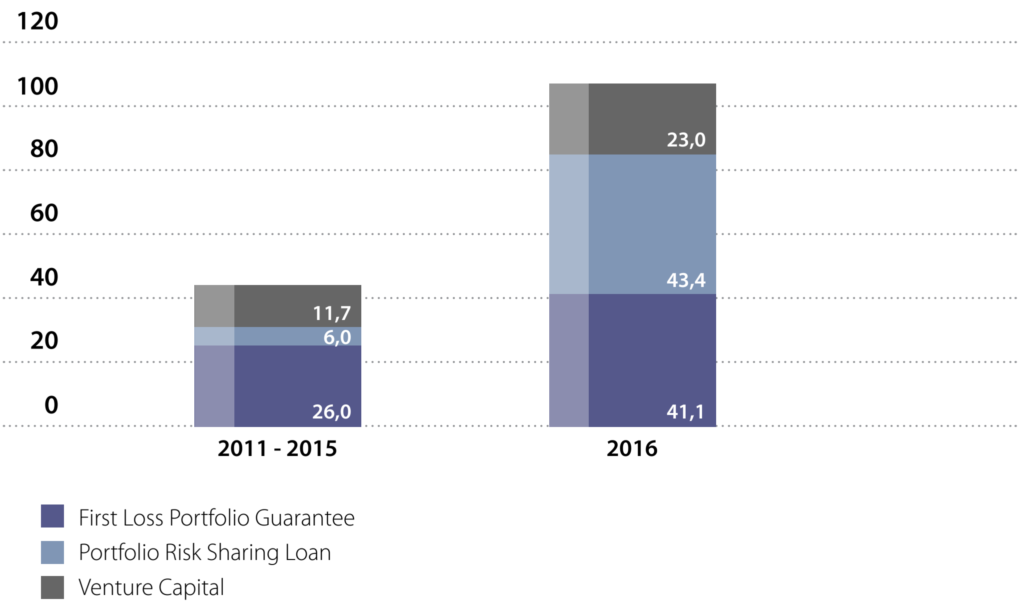
One of the main advantages of financial instruments is their leverage effect. Leverage means that every euro of public funds allocated to the investment is able to attract additional private funds and thus multiply the total volume of investment for end beneficiaries. For NDF I., a portfolio of loan and venture capital investments totalling EUR 331.2 million was created using EUR 119.5 million of public funds managed by SIH. We consider this ratio to be an excellent example of the efficient use of public investment funds.

Leverage effect of NDF I. (EUR million)



At the time of the creation of the JEREMIE programme, there were no authorities in Slovakia capable of managing financial instruments, so the management of NDF I. was initially assigned to the European Investment Fund. After the creation of SIH, the management of NDF I. was transferred to our company as of 1 January 2016. This step was proven correct by more intensive investment activities. During the first 10 months of our management of NDF I., SIH more than doubled the volume of investments, thus minimising the volume of unabsorbed and decommitted EU structural funds.

Investment of NDF I. funds (EUR million)



After the end of the investment period, the management activities of NDF I. focused on the management and administration of the investment portfolio. An important post-investment activity of NDF I., which demonstrates one of the biggest advantages of using financial instruments (compared to grant and subsidy schemes), is the reinvestment of reflows. As financial instruments are repayable, after repayment these funds are reused for new investments. During its management of NDF I., SIH made or prepared the following investments funded by reflows:

EUROPEAN INVESTMENT FUND

Investment:	**Central European Fund of Funds** (CEFoF)
Manager:	European Investment Fund
Co-investors:	Czech Development Bank ČMZRB, European Investment Fund, Hungarian Development Bank MFB, International Investment Bank, Austrian Development Bank OeEB, Slovenian Business Fund SEF
Investment strategy:	venture capital financing for fund managers in Central Europe
Investment objective:	venture capital financing for SMEs and small mid-caps in Central Europe
Status:	investment activity in progress
Main activities of SIH/NDF I. in 2020:	transfer of investment funds to CEFoF (draw-downs), monitoring of CEFoF's investment activities, participation in meetings of the Supervisory Board

VENTURE TO FUTURE FUND

Investment:	Venture to Future Fund (VFF)
Manager:	Slovak Asset Management
Co-investors:	Ministry of Finance of the Slovak Republic, NDF I., European Investment Bank and SAM
Investment strategy:	venture capital financing for companies in the growth phase
Investment objective:	Slovak SMEs with a strong innovation or technological element
Status:	investment activity in progress
Main activities of SIH/NDF I. in 2020:	transfer of investment funds to VFF (draw-downs)

The investment in VFF amounts to EUR 40.4 million, of which:

- EUR 25 million is provided by the Ministry of Finance of the Slovak Republic via state financial assets;
- EUR 5 million by NDF I. from JEREMIE reflows (NDF I.);
- EUR 10 million by the European Investment Bank (EIB); and
- EUR 0.4 million by Slovak Asset Management (SAM) from own funds.

As stated above, in response to the emerging COVID-19 pandemic in March 2020, after SIH Anti-Corona Guarantee scheme 1, SIH also prepared a SIH Anti-Corona Guarantee financial instrument consisting of SIHAZ 2a and SIHAZ 2b. NDF I. became the manager of the latter. Similar to its "counterpart", SIHAZ 2b consists of guarantees for Slovak banks by which NDF I. assumes 90% of the credit risk arising from new loans. This instrument aims to help SMEs and large companies overcome difficulties caused by the pandemic while retaining employment. The financial instrument is funded from state financial assets.

Similar to SIHAZ 2a, 11 Slovak banks were contracted under this scheme during 2020. The banks supported 1 705 companies and granted loans totalling EUR 179.6 million, of which almost EUR 160.6 million was drawn by the end of 2020. See Part 3 for more detailed information about common features of the SIHAZ 2a and 2b schemes.

.

5

SLOVAK ASSET MANAGEMENT

SLOVAK
ASSET
MANAGEMENT

Slovak Asset Management, správ. spol., a. s. (SAM), a 100% subsidiary of SIH, obtained a permit in 2018 to create and manage alternative investment funds from the National Bank of Slovakia. The permit allows SAM to establish and manage alternative investment funds in all EU Member State. SAM is the first licenced public manager of such funds in the Slovak Republic and, according to available information, the first in Central and Eastern Europe.

The first, and currently the only, fund managed by SAM is Venture to Future Fund, a. s. (VFF).

Venture to Future Fund, a. s. (VFF)

VENTURE TO FUTURE FUND

VFF is an investment fund which will invest EUR 40.4 million provided by investors over its investment period as follows:

- EUR 25 million from the Ministry of Finance of the Slovak Republic via state financial assets;
- EUR 5 million from NDF I. from JEREMIE reflows (NDF I.);
- EUR 10 million from the European Investment Bank (EIB); and
- EUR 0.4 million from Slovak Asset Management (SAM) from its own funds.

In Slovakia, which has an underdeveloped capital market, VFF acts as a supporter of venture capital, thus contributing to the development of a knowledge-based society and it supports projects with high added-value and potential for the development of disruptive technologies.

At the local level, VFF's structure represents a unique model, as it represents an alternative investment fund, which invests public funds based on market principles, thus contributing to an increase of the available capital while maintaining a transparent environment. It is the first fund of its kind in the CEE region, which was co-established by the EIB via venture capital co-financing.

VFF takes a general sector-based approach, focusing on innovative and technological companies operating in Slovakia, or with a direct capital link to Slovakia. The fund's investment strategy is to provide venture capital to SMEs in the growth phase of their life cycle with the potential to expand into other European and global markets. Investments are made as venture capital or quasi-venture capital financing based on the pari-passu principle with independent co-investors. VFF acquires a stake in a target company's assets in exchange for the provision of funds for its development. After increasing the value of the investment, VFF seeks to exit the company, either by selling its stake, or by another method (eg stock market listing), and to generate yield for investors resulting from a higher valuation of the already-developed enterprise.

VFF officially started its investment period after meeting all conditions precedent on 17 June 2020. Despite restrictions related to the continuing COVID-19 pandemic, VFF analysed more than 120 investment opportunities during 2020 and signed the first investment in nettle, s.r.o. in December 2020. By the end of the year, VFF had created a robust pipeline of investment opportunities, of which 5 were in advanced stage of negotiations and which are expected to be realised in the coming months.

Investments in 2020:

Target company:	**nettle, s.r.o.**
Sector:	software solutions – AI-based chatbot
Innovativeness:	advanced use of AI and natural language and their extension to include other segments
Investment form:	venture capital financing – contribution to the company's equity
Co-investor:	CB NETT, j. s. a.
Investment date:	December 2020

6

EUROPEAN INVESTMENT ADVISORY

EUROPEAN
INVESTMENT
ADVISORY

SIH continued its activities related to investment advisory, which is part of our SIH European Investment Advisory (EIA) portfolio. Under this project, we continued to provide technical assistance on the preparation of repayable investment projects in Slovakia and the preparation of a strategy for the development of advisory activities under SIH. We successfully completed this project last year in cooperation with our colleagues from the European Commission (EC) – DG REFORM and the European Investment Bank (EIB) – European Investment Advisory Hub. We performed the above consulting activities in cooperation with Limerock Advisory, which won the EC's tender for consulting. SIH and Limerock provided support to project applicants and assisted them with the initial evaluation of projects. We advised them on financing options offered by international financial institutions. The main goal of this cooperation was to maximise the commercial potential of these projects and to finance them by repayable forms of financing.

EIAH provided SIH with funds, inter alia, to expand its internal and external advisory capabilities. The main focus of this SIH team is the Green Deal agenda and the development of clean energy with an emphasis on energy efficiency, renewable energy sources and especially on guaranteed energy services (GES). Cooperation with the EIB continues to focus on supporting regional capitals and self-governing regions in the preparation of projects to increase energy efficiency of buildings by GES. These activities involve assistance with the correct setup of project preparation, including energy assessments and/or obtaining the EIB's technical assistance for project documentation, etc. A significant step in the development of GES in Slovakia is the preparation of a project in cooperation with the EIB, which was launched at the end of 2020. Under these advisory services, we actively analysed 7 buildings in the Bratislava Region, which have the greatest potential for reconstruction by EPC. The results of this energy audit will serve as input data for the preparation of project documentation for future projects in this area.

In accordance with its European advisory activities, with the support of the European Commission and the European Investment Bank, SIH plans to continue to focus on technical assistance for the development of investment projects in other sectors.

7

LEGAL STATUS OF OUR COMPANIES AND THEIR STATUTORY BODIES

Slovak Investment Holding is registered as a manager of alternative investment funds in the register of managers kept by the National Bank of Slovakia, in accordance with Article 31b (6) of Act No. 203/2011 Coll. on Collective Investment, under No. 0005. Company details as at 31 December 2020:

Company details as at 31 December 2020:

1. **Business name:** Slovak Investment Holding, a. s.
2. **Registered office:** Grösslingová 44, 811 09 Bratislava
3. **Shareholder:** Slovenská záručná a rozvojová banka, a. s. (100%)
4. **Board of Directors:**
   a) Ivan Lesay – Chair of the Board of Directors
   b) Peter Dittrich – Vice-Chair of the Board of Directors
   c) Pavel Mockovčiak – Member of the Board of Directors
5. **Supervisory Board:**
   a) Július Jakab – Chair of the Supervisory Board
   b) Peter Ševčovic – Vice-Chair of the Supervisory Board
   c) Rastislav Krátky – Member of the Supervisory Board

National Development Fund II., is an investment fund via which financial instruments from the European Structural and Investment Funds are implemented for the 2014-2020 programming period. Active management is undertaken by Slovak Investment Holding, a. s.

Company details as at 31 December 2020:

1. **Business name:** National Development Fund II., a. s.
2. **Registered office:** Grösslingová 44, 811 09 Bratislava
3. **Shareholder:** Slovak Investment Holding, a. s. (100%)
4. **Board of Directors:**
   a) Ivan Lesay – Chair of the Board of Directors
   b) Peter Dittrich – Vice-Chair of the Board of Directors
   c) Pavel Mockovčiak – Member of the Board of Directors
5. **Supervisory Board:**
   a) Martin Polónyi – Chair of the Supervisory Board
   b) Pavol Ochotnický – Vice-Chair of the Supervisory Board
   c) Igor Lichnovský – Member of the Supervisory Board
   d) Juraj Smatana – Member of the Supervisory Board
   e) Boris Ažaltovič – Member of the Supervisory Board

[3] S účinnosťou od 15. 3. 2021 bol člen predstavenstva Pavel Mockovčiak nahradený novým členom predstavenstva Milošom Ješkom.

f) Ján Oravec – Member of the Supervisory Board
g) Emil Pícha – Member of the Supervisory Board
h) Pavol Bžán – Member of the Supervisory Board

National Development Fund I. is an investment company established to implement financial instruments from the EU structural funds in the Slovak Republic for the 2007-2013 programming period. The activities of National Development Fund I. are based on the JEREMIE initiative, whose main objective is to support SMEs by improving access to the financing of their development.

Company details as at 31 December 2020:

1. **Business name:** National Development Fund I., s. r. o.
2. **Registered office:** Grösslingová 44, 811 09 Bratislava
3. **Partner:** Slovak Investment Holding, a. s. (100%)
4. **Statutory representatives:**
   a) Štefan Adamec
   b) Peter Dittrich[5]
5. **Supervisory Board:**
   a) Martin Polónyi – Chair of the Supervisory Board
   b) Katarína Kováčová – Member of the Supervisory Board
   c) Ivan Gránsky – Member of the Supervisory Board

Slovak Asset Management was established as a joint-stock company without a call for subscription of shares by the Memorandum of Association on 19 June 2017. The sole founder was Slovak Investment Holding, a.s. The company's share capital is EUR 125 000, which is divided into 125 ordinary registered shares in book-entry form. The face value is EUR 1 000 per share and the issue price at which the company issues shares is EUR 1 100. The founder paid up the company's total share capital and share premium by a one-off monetary contribution of EUR 137 500. The sole shareholder is Slovak Investment Holding, a. s. Slovak Asset Management, správ. spol., a. s. was incorporated on 21 July 2018 by registration in the Business Register of the Bratislava I District Court, Section: Sa, File No. 6818/B. On 20 June 2018, pursuant to Article 28a (1) of the Collective Investment Act, Slovak Asset Management, správ. spol., a. s. was granted a permit to establish and manage alternative investment funds by the National Bank of Slovakia.

Company details as at 31 December 2020:

1. **Business name:** Slovak Asset Management, správ. spol., a. s.
2. **Registered office:** Grösslingová 44, 811 09 Bratislava
3. **Shareholder:** Slovak Investment Holding, a. s. (100%)
4. **Board of Directors:**
   a) Ivan Lesay – Chair of the Board of Directors
   b) Peter Dittrich – Vice-Chair of the Board of Directors
   c) Pavel Mockovčiak – Member of the Board of Directors[6]
5. **Supervisory Board:**
   a) Peter Ševčovic – Vice-Chair of the Supervisory Board
   b) Štefan Adamec – Member of the Supervisory Board

[5] With effect from 16 February 2021, Peter Dittrich was replaced by Pavol Mockovčiak as a statutory representative.
[6] With effect from 8 May 2021, Pavel Mockovčiak was replaced by Miloš Ješko as a member of the Board of Directors.

Venture to Future Fund was established as a joint-stock company by a Memorandum of Association on 18 April 2019 by the sole founder, Slovak Asset Management, správ. spol., a. s. (SAM). Venture to Future Fund, a.s. was incorporated on 7 May 2019 by registration in the Business Register of the Bratislava I District Court, Section: Sa, File No. 6938/B. On 20 December 2019, Slovak Asset Management, správ. spol., a. s., National Development Fund I., s. r. o., Slovak Investment Holding, a. s., Venture to Future Fund, a. s. and the European Investment Bank (EIB) concluded the Investment Fund Agreement (hereinafter the "IFA Agreement"). Pursuant to the **IFA Agreement,** the investors SAM, NDF I., SIH and the EIB agreed on a joint procedure whereby these investors will become company shareholders. For this purpose, VFF's share capital was increased to EUR 40 400 on 2 June 2020. The new issued shares were subscribed by the EIB, which acquired 10 shares (with a face value of EUR 1 000 per share), and SAM, which acquired 4 shares issued by VFF (with a face value of EUR 100 per share).

Company details as at 31 December 2020:

1. **Business name:** Venture to Future Fund, a. s.
2. **Registered office:** Grösslingová 44, 811 09 Bratislava
3. **Shareholders:**
   Slovak Asset Management, správ. spol., a. s. (0.99%)
   Slovak Investment Holding, a. s. (61.88%)
   National Development Fund I., s. r. o. (12.38%)
   European Investment Bank (24.75%)
4. **Board of Directors:**
   a) Matej Říha – Chair of the Board of Directors
   b) Martin Banský – Vice-Chair of the Board of Directors
   c) Miriama Kováčová – Member of the Board of Directors
5. **Supervisory Board:**
   a) Igor Barát – Chair of the Supervisory Board
   b) Štefan Adamec – Member of the Supervisory Board

8

OTHER INFORMATION

A. Proposal for the Distribution of Profit or Settlement of Loss

Profit/loss after tax for 2020 represents a profit of **EUR 2 557 133.98**. We propose that the General Meeting adopt a resolution to use a part of the accounting profit to distribute a dividend and retain the balance as Retained earnings from previous years.

B. Information About R&D Expenses

No R&D expenses were incurred.

C. Information on Organisational Unit Abroad.

The Company has no organisational unit abroad.

D. Information on the Acquisition of Treasury Shares, Interim Certificates, Ownership Interests, and Parent Company's Shares, Interim Certificates and Ownership Interests Pursuant to Article 22

The Company does not acquire treasury shares, interim certificates and ownership interests, and the parent company's shares, or interim certificates and ownership interests pursuant to Article 22.

E. Information on Significant Risks and Uncertainties to Which the Company is Exposed

The Company is exposed to and manages several types of risk, namely: market risk, credit risk, exchange rate risk, liquidity risk, interest rate risk and operational risk. The Board of Directors has responsibility for overall risk management. In addition to legal regulations, the Company's internal regulations are used to eliminate risks, primarily the Risk Management Strategy of Slovak Investment Holding, a. s. and the Internal Control System Directive.

F. Information on Significant Events that Occurred After the Reporting Period for Which the Annual Report Was Prepared

From 31 December 2020 up to the preparation date of the financial statements, there were no events that would have a significant impact on the Company's assets and liabilities, except for those referred to above and those resulting from the ordinary course of business operations.
Changes were made to the management of Slovak Investment Holding. The Company's Board of Directors is as follows:

Ing. Peter Fröhlich – Chair of the Board of Directors since 1 July 2021
Ing. Peter Dittrich, PhD. – Vice-Chair of the Board of Directors since 17 January 2017
Ing. MilošJeško – Member of the Board of Directors since 15 March 2021

G. Expected Future Development of the Company's Activities

Slovak Investment Holding plans to continue its activities with regard to the management of financial instruments from the 2007-2013 programming period via National Development Fund I., s. r. o. (NDF I.), management of financial instruments in the 2014-2020 programming period via National Development Fund II., a. s. (NDF II.) and investment advisory under the European Investment Advisory (EIA). The fourth pillar of activities is support for the management of alternative investment funds via Slovak Asset Management, a. s. (SAM).

9 ATTACHMENTS

Annex 1: Financial Statements for 2020

Slovak Investment Holding, a. s.

Financial Statements
for the year ended 31 December 2020

prepared in accordance with International
Financial Reporting Standards as adopted by the
EU and the Independent Auditor's Report

February 2021

This is an English language translation of the original Slovak language document.

Table of Contents

This is an English language translation of the original Slovak language document.

Deloitte.

Deloitte Audit s.r.o.
Digital Park II, Einsteinova 23
851 01 Bratislava
Slovak Republic

Tel: +421 2 582 49 111
deloitteSK@deloitteCE.com
www.deloitte.sk

Registered in the Business
Register of the District Court Bratislava I
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

Slovak Investment Holding, a. s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of Slovak Investment Holding, a. s.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Slovak Investment Holding, a. s. (the "Company"), which comprise the separate statement of financial position as at 31 December 2020, and the separate statement of profit and loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards 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 provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted in the EU, and for such internal control as management 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are 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 International Standards on Auditing 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.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

As at the issuance date of the auditor's report on the audit of financial statements, the annual report was not available to us.

When we obtain the annual report, we will assess whether the Company's annual report includes information whose disclosure is required under the Act on Accounting, and based on procedures performed during the audit of the financial statements, we will express an opinion on whether:

- Information disclosed in the annual report prepared for 2020 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, we will disclose whether material misstatements were identified in the annual report based on our understanding of the Company and its position, obtained in the audit of the financial statements.

Bratislava, 24 February 2021

Ing. Zuzana Letková, FCCA
Responsible Auditor
Licence SKAu No. 865

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

Slovak Investment Holding, a.s.
Separate Statement of Financial Position as at 31 December 2020

Assets	**Notes**	**2020 EUR'000**	**2019 EUR'000**
Cash and cash equivalents	6	29 239	11 913
Property, plant and equipment	7	88	123
Deferred tax asset	8	77	78
Current tax asset		-	-
Investments	9	369	233
Other assets	10	987	364
Total assets		30 760	12 711
Liabilities			
Trade payables		63	49
Current tax liability		65	303
Provisions for liabilities	11	0	421
Other liabilities	12	23 563	6 796
Total liabilities		23 691	7 148
Equity			
Share capital	13	300	300
Legal reserve fund	14	60	60
Other capital funds	14	1 500	1 500
Retained earnings/accumulated losses	14	2 652	1 721
Profit for the reporting period		2 557	1 982
Total equity		7 069	5 563
		30 760	12 711

Off-balance sheet items:

Entrusted funds for investment	23	487 923	364 712
Assets under management (from the above entrusted funds)	23	487 923	364 712

The financial statements, including the notes on pages 9 to 37, were approved on 19 February 2021:

....
Mgr. Ivan Lesay, MA., PhD.
Chairman of the Board of Directors

....
Ing. Pavel Mockovčiak
Member of the Board of Directors

....
Ing. Martin Nemčík
Person responsible for the preparation of financial statements

....
Mgr. Martina Liptáková
Person responsible for book-keeping

Slovak Investment Holding, a.s.
Separate Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2020

	Notes	2020 EUR'000	2019 EUR'000
Net fee and commission income	15	5 674	4 982
Net interest income		-	-
Net foreign exchange gains/(losses)		-	-
Net other income	16	65	129
Operating income		5 739	5 111
Personnel expenses	17	(1 738)	(1 775)
Depreciation and amortisation	7	(39)	(26)
General administrative expenses	18	(710)	(787)
Operating expenses		(2 487)	(2 588)
Profit/loss before taxation		3 252	2 523
Income tax expense	19	(695)	(541)
Profit/(loss) after taxation		2 557	1 982
Other comprehensive income		-	-
Total comprehensive income for the period		2 557	1 982
Basic loss/earnings per share (EUR)	13	8 524	6 607

The notes on pages 9 to 37 are an integral part of these financial statements.

Slovak Investment Holding, a.s.
Separate Statement of Changes in Equity as at 31 December 2020

	Share Capital EUR'000	Legal Reserve Fund EUR'000	Other Capital Funds EUR'000	Retained Earnings EUR'000	Profit for the Reporting Period EUR'000	Total EUR'000
At 1 January 2020	300	60	1 500	3 703	-	5 563
Total comprehensive income for the year	-	-	-	-	-	-
Profit for 2020	-	-	-	-	2 557	2 557
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for 2019	-	-	-	-	-	-
Transactions with owners recognised directly in equity						
Contribution to the legal reserve fund	-	-	-	-	-	-
Payment of 2020 dividends				-1 000		-1 000
Payment of royalties				-50	-	-50
Total transactions with owners	-	-	-	-	-	-
At 31 December 2020	300	60	1 500	2 653	2 557	7 070

The notes on pages 9 to 37 are an integral part of these financial statements.

Slovak Investment Holding, a.s.
Separate Statement of Changes in Equity as at 31 December 2020

	Share Capital EUR'000	Legal Reserve Fund EUR'000	Other Capital Funds EUR'000	Retained Earnings EUR'000	Profit for the Reporting Period EUR'000	Total EUR'000
At 1 January 2019	300	60	1 500	2 121	-	3 981
Total comprehensive income for the year	-	-	-	-	-	-
Profit for 2019	-	-	-	-	1 982	1 982
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for 2019	-	-	-	-	-	-
Transactions with owners recognised directly in equity						
Contribution to the legal reserve fund	-	-	-	-	-	-
Payment of 2019 dividends	-	-	-	-350	-	-350
Payment of royalties	-	-	-	-50	-	-50
Total transactions with owners	-	-	-	-	-	-
At 31 December 2019	300	60	1 500	1 721	1 982	5 563
At 1 January 2019	300	60	1 500	2 121	-	3 981

The notes on pages 9 to 37 are an integral part of these financial statements.

Slovak Investment Holding, a.s.
Separate Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 EUR'000	2019 EUR'000
Cash flows from operating activities			
Profit/loss before taxation		3 252	2 523
Increase in trade and other payables		2 280	256
Increase in receivables and other assets		(623)	26
Depreciation and amortisation	7	39	26
Income tax paid		(933)	(72)
Net cash flows from operating activities		4 015	2 759
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(4)	(74)
Proceeds from the sale of property, plant and equipment			
Entrusted funds received from the Ministry of Finance of the SR		12 500	
Entrusted funds invested in VFF		(352)	
Entrusted funds received from governing bodies		125 559	8 858
Entrusted funds invested in SIH		(123 206)	(75 433)
Investments in subsidiaries		(136)	(95)
Net cash flows used for investing activities		14 361	(66 744)
Cash flows from financing activities			
Contribution to equity		-	-
Dividends paid to the shareholders		(1 000)	(350)
Royalties		(50)	(50)
Repayment/drawdown of a loan		-	-
Net cash flows from financing activities		(1 050)	(400)
Net changes in cash and cash equivalents		17 326	(64 386)
Cash and cash equivalents at the beginning of the year	6	11 913	76 299
Cash and cash equivalents at the end of the year	6	29 239	11 913

The Statement of Cash Flows was prepared using the indirect method.

The notes on pages 9 to 37 are an integral part of these financial statements.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

1. General Information

Slovak Investment Holding, a. s. (the "Company") was established in the Slovak Republic by the Memorandum of Association dated 7 April 2014 and recorded in the Business Register of the Bratislava I District Court, Section: Sa, Insertion No.: 5949/B, on 1 May 2014.

The Company ID (IČO) and tax ID (DIČ) are as follows:

Company ID: 47 759 097
Tax ID: 2024091784

The Company has been registered as a VAT payer.
The Company's registered office is: Grösslingová 44, 811 09 Bratislava.
The shareholder structure as at 31 December 2020 and 31 December 2019 was as follows:

	Voting Right in %	Share in the Share Capital in %
Slovenská záručná a rozvojová banka, a.s.	100%	100%
Total	100%	100%

The Ministry of Finance of the Slovak Republic is the ultimate owner of the entire group.
The registered office of the Ministry of Finance of the Slovak Republic is at Štefanovičova 2968/5, 811 04 Bratislava.

The Company's financial statements are included in the consolidated financial statements of Slovenská záručná a rozvojová banka, a.s. that is a direct parent company recorded in the Business Register of the Bratislava I District Court, Section: Sa, File No.: 3010/B, with its registered office at Štefánikova 27, 814 99 Bratislava, and are available at its registered office.

The Board of Directors consists of the following persons:

Mgr. Ivan Lesay, MA., PhD. – Chairman of the Board of Directors (since 11 February 2017)
Ing. Peter Dittrich, PhD – Vice-Chairman of the Board of Directors (since 11 February 2017)
Ing. Pavel Mockovčiak – Member of the Board of Directors (since 11 February 2017)

The Supervisory Board consists of the following persons:
Ing. Július Jakab – Chairman of the Supervisory Board (since 16 December 2020)
Ing. Peter Ševčovic – Vice-Chairman of the Supervisory Board (since 14 May 2019)
Rastislav Krátky – Member of the Supervisory Board (since 16 December 2020)

The Company's financial statements for the preceding reporting period ended 31 December 2019 were approved by the General Meeting on 17 June 2020.

Business Activities

The Company's core business activities are the establishment and management of alternative investment funds and alternative foreign investment funds. The Company is a registered alternative investment fund manager registered with the Register of Asset Management Companies maintained by the National Bank of Slovakia under Articles 31a) and 31b) of the Collective Investment Act.

The Company holds an ownership interest (99.99643%) in National Development Fund I., s. r. o. (until 23 July 2018: Slovenský záručný a rozvojový fond, s.r.o.), shares (99.99176%) in National Development Fund II., a.s. (until 23 July 2018: Slovak Investment Holding, a.s.), and shares (61.88%) in Venture to Future Fund, a.s. in its own name to the account of the Slovak Republic represented by individual ministries. The Company does not prepare consolidated financial statements, as it has no control over these companies. Control over the managed assets is undertaken by individual ministries. The managed assets are included in the consolidation of the above organisations. The amount of assets under management is recognised in off-balance sheet accounts.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

The Company is not an unlimited liability partner in other reporting entities.

On 5 May 2015, the Company signed a Fund Management Agreement with National Development Fund II (at that time: Slovak Investment Holding, a.s.) under which the Company manages the fund and receives compensation for it as agreed in Funding Contracts and Investor Contracts.

A Holding Fund Agreement was signed on 1 January 2016 with National Development Fund I (at that time: Slovenský záručný a rozvojový fond, s.r.o.). Under the agreement, the Company became the manager of the JEREMIE holding fund.

The Agreement on Financing of the Central Europe Fund of Funds was signed with the Ministry of Finance of the SR ("MF SR") on 11 August 2017. Under this agreement, the Company represents the MF SR in the Central Europe Fund of Funds.

On 19 December 2018, the Agreement on Financing of Venture to Future Fund was signed with the Ministry of Finance of the SR ("MF SR"). Under this agreement, the Company represents the MF SR in Venture to Future Fund.

The Company holds a 100% ownership interest in Slovak Asset Management, sprá v. spol., a. s. in its own name and to its own account.

The Company holds a 0.00357% ownership interest in National Development Fund I., s. r. o. (until 23 July 2018: Slovenský záručný a rozvojový fond, s.r.o.) in its own name and to its own account.

The Company holds a 0.00748% ownership interest in National Development Fund II., a.s. (until 23 July 2018: Slovak Investment Holding, a.s.) in its own name and to its own account.

Slovak Investment Holding, a. s. does not prepare consolidated financial statements, as it has no control over National Development Fund I., s. r. o., and National Development Fund II., a.s., and as regards Slovak Asset Management, správ. spol., a. s., it does not meet the size criteria under Article 22 (10) of Act No. 431/2002 Coll. on Accounting, as amended. Detailed information is provided in Note 23 Off-balance Sheet Items.

2. Basis of Preparation for the Financial Statements

(a) Statement of Compliance

The annual separate financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The financial statements were prepared under Article 17 (a) of Act No. 431/2002 on Accounting, as amended. The financial statements were prepared under the going-concern assumption.

The financial statements are intended for general use and information and they are not intended for the purposes of any specific user or consideration of any specific transactions. Accordingly, users should not rely exclusively on these financial statements when making decisions.

(b) Basis of Measurement

The financial statements were prepared under the historical cost convention.

(c) Functional and Presentation Currency

The financial statements were prepared in euro, which is the Company's functional currency.

Figures presented in euro were stated in thousands and rounded, unless stipulated otherwise.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

(d) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting principles and accounting methods and the reported amounts of assets, liabilities, revenues and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognised in the period in which the estimate is adjusted and in any future periods affected.

3. Significant Accounting Principles and Accounting Methods

Information on significant areas of estimation uncertainty and critical judgements in applied accounting principles and accounting methods that have the most significant impact on the amounts recognised in the financial statements is provided in Notes 3 and 4.

(a) Foreign Currency

Transactions denominated in foreign currencies are translated to euro using the exchange rate valid on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated using exchange rates valid as at the reporting date.

(b) Fees and Commissions

Fee income and expenses, including the fees for the management of alternative investment funds under the valid fund statutes, are presented when the entitlement to such fees arises under the statute, in the relevant reporting period to which they relate.

(c) Interest Income and Interest Expense

Interest income and interest expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts during the expected useful life of a financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established upon the initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all paid fees paid and basis points, or received transaction costs and discounts, or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.
Interest income and expense on assets and liabilities at fair value through profit or loss are recognised in *Interest income and expense,* and changes in fair values are presented in *Net profit from financial transactions.*

Interest income and expense on trading assets and liabilities are considered occasional in business transactions and are recognised in net profit from financial transactions along with all other changes in fair values of trading assets and liabilities.

(d) Dividends

Dividend income is recognised when the right to receive income arises. Usually, this is the date following the approval of dividend payments in connection with equity securities.

(e) Lease Payments

Payments made under an operating lease are recognised in profit or loss on a straight-line basis over the term of the lease agreement.

(f) Income Tax

Income tax includes current and deferred tax. Income tax is recognised in profit or loss, except for items recognised directly in equity or other comprehensive income.

Current tax is an expected tax liability based on taxable income for the year, calculated using the valid tax rate as at the reporting date and adjusted for the amounts related to previous periods.

Deferred tax is calculated using the balance sheet method in which temporary differences arise between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for tax purposes. Deferred tax is calculated using the tax rates expected to be applied to temporary differences when they are reversed under legislation valid or subsequently enacted on the reporting date.

A deferred tax asset is only recognised to the extent to which future taxable profits are likely to be generated against which the asset can be utilised. Deferred tax assets are reviewed as at the reporting date and are decreased to the extent for which it is no longer probable that the related tax benefit will be realised.

(g) Investments in Subsidiaries

Investments in subsidiaries represent the Company's investments in entities with an investment exceeding 50% of the registered capital of such entities and/or with more than 50% of the voting rights in such entities. Investments in subsidiaries are recognised at cost less provisions.

Impairment losses are recognised in the statement of comprehensive income line "Gains/(losses) on financial assets, net". The provision amount is calculated as the difference between the value of the bank's investment and the amount of a subsidiary's equity net of the investment's realisable value.

Dividend income is recognised in the statement of comprehensive income line "Gains/(losses) on financial assets, net" at the moment the Company becomes entitled to the receipt of dividends.

(h) Financial Assets and Liabilities

(i) Date of Initial Recognition
The purchase or sale of financial assets resulting in an asset and financial settlement within the timeframe specified by a general regulation, or in a timeframe usual to the market, are recognised as at the date of the financial settlement date of a transaction, except for securities, which are recognised at the transaction date.

(ii) Classification and Measurement of Financial Assets under IFRS 9

IFRS 9 introduces three categories for the classification of debt instruments depending on whether they are subsequently measured at amortised cost (AC), at fair value through other comprehensive income (FVOCI), or at fair value through profit or loss (FVTPL).

The classification of debt instruments under IFRS 9 is based on the business model used by the reporting entity to manage its financial assets and on whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). The business model expresses how a reporting entity manages its financial assets to generate cash flows and create value. Therefore, its business model determines whether cash flows will flow from the collection of contractual cash flows, from the sale of financial assets, or from both. If a debt instrument is held to collect contractual cash flows, it may be classified in the AC category if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement, which are held in a reporting entity's portfolio of financial assets to collect cash flows and sell financial assets, may be classified as FVOCI. Financial assets that do not generate cash flows meeting the SPPI requirement must be measured at FVTPL (eg financial derivatives).

(iii) Classification and Measurement of Financial Assets under IFRS 9 to Document the Company's Business Model

The Company's mission, as a registered alternative investment fund manager, is to establish and manage alternative investment funds and foreign alternative investment funds.

The Company has developed a long-term development strategy, and prepares and assesses its business plan, and financial budget on a regular basis. These documents are prepared and assessed based on priorities and responsibilities related to the management of financial instruments for the support of the businesses environment and the overall economic situation on the market and the state economic policy plans are also taken into consideration.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

3. Significant Accounting Principles and Accounting Methods (Continued)

To document its business model under IFRS 9 (business model of individual portfolios), the Company performed the following activities:

A: The classification of financial assets – individual identified portfolios of the Bank under IAS 39 as a basis for the classification of financial assets under IFRS 9.

(iv) Classification of Financial Assets (by Contract Type) for the Purposes of the SPPI Test Under IFRS 9

The Company does not invest in financial assets that meet the definition of debt instruments (loan receivables and securities).

(v) Financial Investments Measured at Amortised Cost ("AC")

Held-to-maturity financial investments are financial investments that generate pre-determined or pre-identifiable payments, have a fixed maturity, and the Company plans and has the ability to hold them to maturity.
After initial recognition, the securities are measured at amortised cost using the effective interest rate method, net of the provision for impairment. The amortised cost is calculated taking into account acquisition cost discounts, bonuses and charges that form an integral part of the effective interest rate. Amortisation is recognised under "Interest income" in the statement of comprehensive income. Impairment losses on such investments are recognised under "Provisions" in the statement of comprehensive income.

(vi) Due from Banks and Loans and Advances to Customers

"Due from banks" and "Loans and advances to customers" are financial assets with pre-determined or determinable payments and fixed maturities which are not quoted in an active market. The Company did not enter into such transactions aimed for immediate or short-term subsequent sale. Subsequent to the initial recognition, amounts due from banks and loans and advances to customers are measured at amortised cost using the effective interest method, net of impairment provisions. The amortisation is included in "Interest income" in the statement of comprehensive income. Any impairment losses on such investments are recognised as "Provisions" in the statement of comprehensive income.

(vii) Financial Investments Measured at Fair Value Through Other Comprehensive Income

This category includes all investments classified to this portfolio at the initial recognition. This portfolio also includes financial investments that do not qualify for the classification as: securities at amortised cost or due from banks or loans and advances to customers. They include equity instruments, investments in mutual funds and on money markets and other debt instruments.

Upon the initial recognition, securities at FVOCI are measured at fair value. Unrealised gains and losses are recognised in other comprehensive income, and their accumulated amount is recognised as revaluation reserve in equity. When the financial asset is sold, the cumulative gain or loss previously recognised in equity is reclassified from other comprehensive income to profit or loss and are recognised separately if material or in "Other income" or "General administrative expenses" if immaterial. Where the Bank holds more than one unit of the same financial asset, it is expected when accounting for the disposal of such investments that they are sold on a FIFO (first-in first-out) basis. Interest income from holding the securities at fair value through other comprehensive income is reported as interest income in the statement of comprehensive income line "Interest income" using the effective interest method. Dividend income from holding financial investments is recognised as "Other income" in the statement of comprehensive income at the moment the right to receive the payment originates and the payment of dividends is probable. Any impairment losses on such investments are recognised as "Provisions" in the statement of comprehensive income, and are reclassified from other comprehensive income and decrease the financial investments revaluation reserve recognised in equity.

In the reporting period under review, the Company does not recognise any purchased or originated credit-impaired financial assets (hereinafter "POCI") in its portfolio.

3. Significant Accounting Principles and Accounting Methods (Continued)

(i) Cash and Cash Equivalents

Cash and cash equivalents comprises cash, unrestricted balances held on accounts and highly liquid financial assets with original maturities of less than three months which are subject to insignificant risk of changes in their fair value and are used by the Company in the management of short-term commitments.

Cash and cash equivalents are carried at face value in the statement of financial position.

(k) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.

Receivables are initially measured at fair value together with transaction costs and subsequently at amortised cost using the effective interest method.

(l) Property, Plant and Equipment

(i) Recognition and Measurement
Components of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes costs directly attributable to the acquisition of the asset. Purchased software that is an integral part of the value-in-use of the related asset is recognised as part of that asset.

When parts of an item of assets have different useful lives, they are recognised as major components of the assets.

(ii) Subsequent Costs
The costs of replacing an item of property, plant and equipment are recognised at the carrying amount of the item if it is probable that the future economic benefits associated with the item will arise to the Company and the costs can be reliably measured. The costs of the routine maintenance of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment and intangible assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful life of equipment for the current and preceding reporting periods is four years.

Depreciation methods, useful lives and net book values are reassessed as at the reporting date.

(m) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed as at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets or groups of assets.

Impairment losses are recognised directly in profit or loss. Impairment losses recognised in respect of cash-generating units are first recognised as the impairment of the carrying amount of goodwill attributable to such units and then as the impairment of the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

3. Significant Accounting Principles and Accounting Methods (Continued)

The recoverable amount of an asset or cash-generating unit is the higher of its net selling price and the value-in-use. In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed as at the reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would be determined, net of depreciation or amortisation, if no impairment loss was recognised.

(n) Provisions for Liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured and recognised at an estimated amount payable.

(o) Financial Liabilities

A financial liability is derecognised when the obligation to settle the liability is fulfilled or cancelled or terminated. Where the present financial liability replaces another liability from the same lender under significantly different conditions or the conditions of an existing financial liability significantly change, the original liability is first derecognised, and subsequently, a new liability is recognised and the difference in the respective carrying amounts is recognised through profit or loss.

(p) Employee Benefits

The Company provided its employees with other in-kind benefits besides salaries and bonuses. Salaries, bonuses and other employee benefits are expensed as the related service is provided.

(q) Recognition of Entrusted Funds for Investments and Assets Under the Company's Management

The Company as the legal shareholder acts in the capacity of a financial asset manager. The Company holds the shares or ownership interests in companies in its own name to the account of the Slovak Republic represented by ministries. Such invested entrusted funds are recorded in the off-balance sheet.

Entrusted funds received from governing bodies, which were not invested until the reporting date, are recognised as Other liabilities (Note 12). The amounts are stated at their net book values.

(r) Standards and Interpretations Effective in the Current Period

The Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that have been endorsed for use in the European Union (hereinafter the "EU"), and that are relevant to its operations and effective for annual periods beginning on 1 January 2019. The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

Initial application of new and amended IFRS standards effective for the current reporting period

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) are effective for the current reporting period:

- **Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** – Definition of Material – adopted by the EU on 29 November 2019 (effective for annual periods beginning on or after 1 January 2020),

- **Amendments to IFRS 3 "Business Combinations"** – Definition of a Business – adopted by the EU on 21 April 2020 (effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period),

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"** – Interest Rate Benchmark Reform – adopted by the EU on 15 January 2020 (effective for annual periods beginning on or after 1 January 2020),

- **Amendments to IFRS 16 "Leases"** – Covid-19-Related Rent Concessions – adopted by the EU on 9 October 2020 (effective for annual periods beginning on or after 1 January 2020, no later than on 1 June 2020),

- **Amendments to References to the Conceptual Framework in IFRS Standards** – adopted by the EU on 29 November 2019 (effective for annual periods beginning on or after 1 January 2020).

The adoption of these amendments to the existing standards has not led to any material changes in the Company's financial statements.

New and amended IFRS standards issued by the IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by the IASB and adopted by the EU and are not yet effective:

- **Amendments to IFRS 4 "Insurance Contracts"** – Extension of the Temporary Exemption from Applying IFRS 9 – adopted by the EU on 15 December 2020 (effective for annual periods beginning on or after 1 January 2021).

New and amended IFRS standards issued by the IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB, except for the following new standards and amendments to the existing standards, which were not endorsed for use in the EU as at 19 February 2020 (the effective dates stated below are for IFRS as issued by the IASB):

- **IFRS 17 "Insurance Contracts" and Amendments to IFRS 17** (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 1 "Presentation of Financial Statements"** – Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 16 "Property, Plant and Equipment"** – Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022),

- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** – Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022),

- **Amendments to IFRS 3 "Business Combinations"** – Reference to the Conceptual Framework with amendments to IFRS 3 (effective for annual periods beginning on or after 1 January 2022),

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases"** – Interest Rate Benchmark Reform – Phase 2 (effective for annual periods beginning on or after 1 January 2021),

- **Amendments to various standards due to "Annual Improvements to IFRS Standards (2018 – 2020 Cycle)"** resulting from the annual IFRS improvement project (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording (The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only relates to an illustrative example, so no effective date is stated.),

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016) – the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" –** Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded).

The Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the Company's financial statements in the period of initial application.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

According to the Company's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to IAS 39: "Financial Instruments: Recognition and Measurement" would not significantly impact the financial statements if applied as at the reporting date.

- **IFRS 14 "Regulatory Deferral Accounts"** issued by the IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

- **IFRS 17 "Insurance Contracts"** issued by the IASB on 18 May 2017. The new standard requires insurance liabilities to be measured at the current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 "Insurance Contracts" and related interpretations while it is applied. Amendments to IFRS 17 "Insurance Contracts" issued by the IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. Additionally, the amendments introduce simplifications and clarifications of some requirements set forth in the standard and provide additional reliefs when applying IFRS 17 for the first time.

- **Amendments to IFRS 3 "Business Combinations"** – Definition of a Business issued by the IASB on 22 October 2018. Amendments were introduced to improve the definition of a business. The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the IASB also provided supplementary guidance.

- **Amendments to IFRS 3 "Business Combinations"** – Reference to the Conceptual Framework with amendments to IFRS 3 issued by the IASB on 14 May 2020. The amendments: a) update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; b) add to IFRS 3 a requirement that for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and c) add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

- **Amendments to IFRS 4 "Insurance Contracts" –** Extension of the Temporary Exemption from Applying IFRS 9 issued by the IASB on 25 June 2020. The amendments change the fixed expiry date for the temporary exemption from applying IFRS 9 "Financial Instruments" stated in IFRS 4 "Insurance Contracts" so that entities will be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"** – Interest Rate Benchmark Reform issued by the IASB on 26 September 2019. The changes in the Interest Rate Benchmark Reform:
  a) Modify specific hedge accounting requirements so that entities apply these hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of the interest rate benchmark reform;
  b) Are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform;

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

c) Are not intended to provide relief from any other consequences arising from the interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and
d) Require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases"** – Interest Rate Benchmark Reform – Phase 2, issued by the IASB on 27 August 2020. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7, and accompany the amendments regarding modifications and hedge accounting:
  a) **Modification of financial assets, financial liabilities and lease liabilities** – the IASB has introduced a practical expedient for modifications required by the reform (modifications required as a direct consequence of the IBOR reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using current IFRS requirements. A similar practical expedient is proposed for lessee accounting applying IFRS 16.
  b) **Hedge accounting requirements** – under the amendments, hedge accounting is not discontinued solely due to the IBOR reform. Hedging relationships (and related documentation) must be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all the qualifying criteria which apply to hedge accounting, including effectiveness requirements.
  c) **Disclosures** – in order to allow users to understand the nature and extent of risks arising from the IBOR reform to which an entity is exposed and how the entity manages these risks, and the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition, the amendments require that an entity discloses the following information:
     - How the transition from interest rate benchmarks to alternative benchmark rates is managed, the progress made at the reporting date, and the risks arising from the transition;
     - Quantitative information on non-derivative financial assets, non-derivative financial liabilities and derivatives that continue to reference interest rate benchmarks subject to the reform, disaggregated by the significant interest rate benchmark;
     - If the IBOR reform results in changes to an entity's risk management strategy, a description of such changes and how the entity manages such risks.
  d) The IASB also amended IFRS 4 so that insurers that apply the temporary exemption from IFRS 9 must also apply the amendments in their accounting for modifications directly required by the IBOR reform.

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" –** Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by the IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of the gain or loss recognition depends on whether the assets sold or contributed constitute a business.

- **Amendments to IFRS 16 "Leases"** – Covid-19-Related Rent Concessions issued by the IASB on 28 May 2020. The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

- **Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** – Definition of Material issued by the IASB on 31 October 2018. The amendments clarify the definition of material and how it should be applied by including it in the definition guidance.

- **Amendments to IAS 1 "Presentation of Financial Statements"** – Classification of Liabilities as Current or Non-Current issued by the IASB on 23 January 2020. The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

- **Amendments to IAS 16 "Property, Plant and Equipment"** – Proceeds Before Intended Use issued by the IASB on 14 May 2020. The amendments prohibit deducting from the cost of an item of property, plant and equipment proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** – Onerous Contracts — Cost of Fulfilling a Contract issued by the IASB on 14 May 2020. The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

- **Amendments to various standards due to "Annual Improvements to IFRS Standards (2018 – 2020 Cycle)"** issued by the IASB on 14 December 2020. These are amendments to various standards resulting from the annual IFRS improvement project (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording. The amendments: (a) clarify that a subsidiary which applies paragraph D16 (a) of IFRS 1 is permitted to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS (IFRS 1); (b) clarify which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 when assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf (IFRS 9); (c) remove from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve a potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in this example (Illustrative Example 13 accompanying IFRS 16); and (d) remove the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique (IAS 41).

- **Amendments to References to the Conceptual Framework in IFRS Standards** issued by the IASB on 29 March 2018. As the Conceptual Framework was revised, the IASB updated references to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS applies to a particular transaction.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

4. Use of Estimates and Judgements

The following assertions supplement the comments on financial risk management.

Key Sources of Estimation Uncertainty

Assets recognised at amortised cost are assessed for impairment based on the accounting policies described in Note 3.

Provisions for the Impairment of Receivables
The Company management assesses receivables individually for impairment based on a best estimate of the present value of the cash flows that are expected to be received by the Company. In estimating these cash flows, management makes judgements about the counterparty's financial situation and the net realisable value of any underlying collateral.

Financial Asset and Liability Classification

The Company's accounting principles and accounting methods provide a framework for recognising assets and liabilities at their inception in different accounting categories under certain circumstances:

- In classifying financial assets or liabilities as "at fair value through profit or loss", management decides whether the Company meets the description of assets and liabilities in accounting principles and accounting methods in Note 3 (h).
- In classifying financial assets as "held-to-maturity", management decides whether the Company has an intention and ability to hold the assets to their maturity as required by accounting principles and accounting methods in Note 3 (h).

Determination of Fair Values

Receivables and Other Receivables
Fair values of receivables and other receivables are estimated as the present value of future cash flows discounted by the market rate valid as at the reporting date.

Assets and Liabilities for Trading and Investments

Fair values of trading assets and investments are determined as the market price on an active market or using valuation models with input data observable on the market.

The Company uses the following method hierarchies to determine and disclose the fair values of financial instruments:

Level 1: A quoted market price on an active market for identical financial instruments.

Level 2: Valuation techniques based on directly or indirectly observable market inputs. This category includes quoted market prices for similar financial instruments on active or less active markets, or other valuation techniques for which all relevant inputs can be obtained from the data available on the market.

Level 3: Valuation techniques based on unobservable inputs to a large extent. This category includes all financial instruments whose valuation techniques are not based on observable inputs, and the unobservable market inputs have a significant impact on the instrument's valuation. This category also includes financial instruments valued using the market price of similar financial instruments requiring the reflection of the unobservable impact.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

5. Financial Risk Management

Risk Management
The Company is exposed to and manages certain types of risk, ie market risk, credit risk, exchange rate risk, liquidity risk, interest rate risk and operational risk.

The Board of Directors takes the responsibility for overall risk management. In addition to legal regulations, Company internal regulations are used to eliminate risks, primarily the guidelines Risk Management Strategy of Slovak Investment Holding, a.s. and the Internal Control System.

Regulatory Requirements
The Company voluntarily complies with the regulatory requirements of the National Bank of Slovakia. These include limits and restrictions relating to the adequacy of own funds. These requirements apply to all asset management companies in Slovakia.

A summary of the requirements is given below:

- The management company's share capital is at least EUR 125 000.

- The management company is obliged to comply with the adequacy of own funds. The management company's own funds are adequate under the Act, if they are not lower than:
  a) EUR 125 000 plus 0.02% of the value of assets in the unit trusts or the European funds managed by the management company exceeding EUR 250 000 000; this amount is not further increased if it reaches EUR 10 000 000.

  b) One fourth of the management company's average general operating expenses for the previous calendar year; if the management company was founded less than one year ago, 25% of the amount of the general operating expenses disclosed in the management company's business plan.

  c) The management company must not acquire for assets in standard unit trusts managed by the management company or for assets, where the management company acts in association with any unit trusts managed by the management company, more than 10% of the total face values of shares with the voting rights issued by one issuer.

  d) The management company acting in association with standard unit trusts managed by the management company must not acquire as assets in standard unit trusts any shares with a voting right which would enable the management company to exercise a significant influence over the management of an issuer who is based in the Slovak Republic or in a non-EU Member State.

  e) The management company is obliged to comply with restrictions as regards the acquisition of significant influence over the management of an issuer who is based in a Member State, stipulated by the legislation of such Member State, also taking into account assets in standard unit trusts managed by the management company.

  f) The management company must ensure that the risk of harm to interests of unit trust holders or holders of a European fund or the management company's clients is minimised as regards a conflict of interests between the management company and its clients, between two of its clients, between one of its clients and unit trust holders or unit trust holders or holders of a European fund or between the unit trust holders and holders of European funds.

Adequacy of Own Funds
After assessing all the potential impacts of COVID-19 on its activities, the Company concluded that given the specific form of funding, there is no negative impact on its liquidity.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

5. Financial Risk Management (Continued)

	2020 Indicator Value EUR '000	2019 Indicator Value EUR '000
Limit of initial capital in EUR '000	125	125
Paid up share capital	300	300
Share premium	-	-
Accumulated loss/retained earnings of previous years	5 210	3 703
Items decreasing the value of own funds	-	-
Reserve fund and other funds	1 560	1 560
Total initial capital	7 195	5 563
Information on meeting the adequacy limit for own funds by the Company in %	*5 755,2*	*4 450,4*

The adequacy limit for own funds of the Company was met at *5 755%* due to the Company's share capital, reserve fund and Retained earnings of previous years.

Market Risk
The market risk is often associated with global economic, political and social events that have an immediate impact on the prices of individual types of assets included in the Company's assets.

The market risk is regularly assessed after the purchase of an investment, when assessing the current price of the fund's assets using the sensitivity model.

Credit Risk
The credit risk refers to a risk that a counterparty will not comply with its contractual obligations resulting in a loss for the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of a financial loss as a result of non-compliance with obligations. Monetary transactions are limited only to high credit financial institutions. The Company did not restrict the amount of open position towards any financial institution.

Assets for Trading
The Company minimises its credit risk in trading with securities so that the closing of deals is made in compliance with law so that the consideration in favour of the Company's assets is transferred under the payment-delivery principle by deadlines that are standard on the regulated market.

Receivables
The Company is not exposed to credit risk arising from loans and borrowings, as according to Act No. 203/2011 Coll. on Collective Investment as amended, the Company provides no loans or borrowings except for borrowings provided ad hoc to real estate companies on a non-business basis for the temporary coverage of cash flows in connection with the anticipated return of excess VAT deductions.

Exchange Rate Risk
Exchange rate risk results from the fact that the investment value may be affected by a change in foreign currency exchange rates.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

5. Financial Risk Management (Continued)

Liquidity Risk
The Company defines the liquidity risk as the possible loss of income and own funds as a result of the Company's failure to meet its obligations when they fall due, without causing unnecessary losses. The liquidity risk is defined by the Act on Collective Investment.

The remaining maturity period of financial assets and liabilities as at 31 December 2020 is presented in the table below where undiscounted cash flows are presented in connection with their earliest contractual maturity. Cash flows expected by the Company do not significantly differ from this analysis.

	Within 3 months	From 3 nonths up to 1 year	From 1 up to 5 years	More than 5 years	Undiscounted cash flows	Carrying amount
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Assets						
Cash and cash equivalents	29 239	-	-	-	29 239	29 239
Investments				369	369	369
Other assets	987	-	-	-	987	987
	30 226	-	-	369	30 595	30 595

	Within 3 months	From 3 months up to 1 year	From 1 up to 5 years	More than 5 years	Undiscounted cash flows	Carrying amount
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Liabilities						
Trade payables	63	-	-	-	63	63
Other liabilities	23 563		-	-	23 563	23 563
	23 626		-	-	23 626	23 626

The Company records no overdue liabilities as at 31 December 2020.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

The remaining maturity period of financial assets and liabilities as at 31 December 2019 is presented in the table below where undiscounted cash flows are presented in connection with their earliest contractual maturity. Cash flows expected by the Company do not significantly differ from this analysis.

	Within 3 months EUR '000	From 3 months up to 1 year EUR '000	From 1 up to 5 years EUR '000	More than 5 years EUR '000	Undiscounted cash flows EUR '000	Carrying amount EUR '000
Assets						
Cash and cash equivalents	11 913	-	-	-	11 913	11 913
Investments				233	233	233
Other assets	364	-	-	-	364	364
	12 277	-	-	233	12 510	12 510

	Within 3 months EUR '000	From 3 months up to 1 year EUR '000	From 1 up to 5 years EUR '000	More than 5 years EUR '000	Undiscounted cash flows EUR '000	Carrying amount EUR '000
Liabilities						
Trade payables	49	-	-	-	49	49
Other liabilities	6 796		-	-	6 796	6 796
	6 845		-	-	6 845	6 845

The Company records no overdue liabilities as at 31 December 2019.

Interest Rate Risk
The interest rate risk represents the negative impact of interest rate changes on the financial market. If there is a change in interest rates on the market, it automatically has an impact on the prices of securities. If interest rates increase, the prices of securities fall, and vice versa, if interest rates decrease, the prices of securities rise. These changes have a significant impact on the securities issuer and the investor.

Operational Risk
The operational risk is a risk of direct or indirect loss due to a wide range of causes associated with the Company's processes, staff, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as risks arising from legal and regulatory requirements and generally accepted standards of corporate conduct. There is operational risk related to all of the Company's operations and business activities. This is managed and monitored by Company control systems.

The Company's goal is to manage operational risk so as to find a balance between avoiding financial losses, and avoiding damage to the Company's reputation and overall effectiveness of costs, and avoiding control procedures which limit initiative and creativity.

5. Financial Risk Management (Continued)

The primary goal of the Company's operational risk management is to mitigate and/or limit losses due to operational risk and thus, mitigate the negative impact of the operational risk on the profit/ loss and own funds of the Company.

Given the scope of the Company's activities in 2020, operational risk was insignificant.

Operational measures adopted in relation to the COVID-19 pandemic did not increase the Company's operational risk in 2020.

Legal Risk
The operational risk also includes a legal risk, ie the risk of loss primarily arising from a failure to enforce contracts, from the threat of unsuccessful legal disputes or court rulings with an adverse impact on the Company. In the Company's environment, there is also the risk of sanctions imposed by regulators that may be connected with reputational risk.

Counterparty Risk
Counterparty risk is a risk that the counterparty to a transaction fails to meet its obligations before their final settlement. The Company's Board of Directors approves specific counterparties.

6. Cash and Cash Equivalents

	2020 EUR '000	**2019 EUR '000**
Bank accounts – current	29 239	11 913
Cash on hand, stamps and vouchers	0	0
	29 239	11 913

The Company has balances on current accounts held with Všeobecná úverová banka, a.s., Bratislava, SZRB, a.s. Bratislava and with Štátna pokladnica (State Treasury).

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

7. Property, Plant and Equipment

Cost	**Fixtures and fittings EUR '000**
At 1 Jan 2020	196
Additions	4
Transfers	
Disposals	-
At 31 Dec 2020	200
At 1 Jan 2019	121
Additions	75
Transfers	
Disposals	-
At 31 Dec 2019	196
Accumulated Depreciation	
At 1 Jan 2020	(73)
Additions	(39)
Transfers	-
Disposals	-
At 31 Dec 2020	(112)
At 1 Jan 2019	(46)
Additions	(26)
Transfers	(1)
Disposals	
At 31 Dec 2019	(73)
Carrying amount as at 31 December 2020	88
Carrying amount as at 31 December 2019	123

Items of property, plant and equipment are insured against damage caused by theft and natural disaster up to EUR 78 thousand (2019: EUR 78 thousand).

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

8. Deferred Tax Asset

The deferred tax asset as at 31 December 2020 and 31 December 2019 relates to the following items:

	2020 EUR '000	2019 EUR '000
Outstanding payables	-	-
Tax loss	-	-
Provisions for liabilities	77	78
	77	78

The deferred tax asset is calculated using the income tax rate of 21%. The Company recognised the deferred tax asset as it expects sufficient taxable profits in the future against which the deferred tax asset can be utilised.

9. Investments

	2020 EUR '000	2019 EUR '000
Slovak asset management, správ. spol., a. s. (SAM)	338	233
National Development Fund I., s.r.o. (NDF I)	4	
National Development Fund II., a.s. (NDF II)	27	
	369	233

The SAM investment comprises a contribution to Slovak asset management, správ. spol., a. s., established by the granting of a licence by the NBS and subsequently registered in the Business Register of the SR on 21 July 2018. Equity amounted to EUR 137.5 thousand as at the date of entry.
On 22 May 2019, the General Meeting decided on a monetary contribution to Slovak asset management, správ. spol., a. s., of up to a total amount of EUR 200 thousand. A contribution of EUR 95 thousand to Slovak asset management, správ. spol., a. s., was made on 10 June 2019. A contribution of EUR 105 thousand to Slovak asset management, správ. spol., a. s., was made on 17 April 2020.

On 15 January 2020, the Agreement on the Transfer of Ownership Share in National Development Fund I., s. r.o., was signed, under which Slovak Investment Holding, a.s., acquired a 0.004% ownership share amounting to EUR 3 851 from Slovenská záručná a rozvojová banka a.s.

On 15 January 2020, the Agreement on the Transfer of Shares of National Development Fund II., s. r.o., was signed, under which Slovak Investment Holding, a.s., acquired 25 shares amounting to EUR 27 000 from Slovenská záručná a rozvojová banka a.s. The face value is EUR 1 000 per share.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

10. Other Assets

	2020 EUR '000	2019 EUR '000
Receivables not overdue or impaired:		
Trade receivables	969	359
Other receivables	18	4
Subtotal:	987	364
Accrued income	-	-
Other Assets	987	364

Trade receivables in 2020 comprise receivables from National Development Fund I., s.r.o., National Development Fund II., a.s., and Slovak Asset Management, správ. spol., a. s.

11. Provisions for Liabilities

The Company created no provisions for liabilities in 2020 and 2019. In 2020, the Company adjusted the classification of estimated items, and this reclassification was also applied retrospectively to amounts recognised in 2019. Estimated items recognised in the 2019 financial statements consisting of payables to employees, and social security institutions are included in "Other liabilities". Estimated items recognised in the 2019 financial statements consisting of supply-customer relations are recognised as "Trade payables".

12. Other Liabilities

	2020 EUR '000	2019 EUR '000
Liability from Financing Agreements	19 415	5 070
Liabilities to employees and insurance companies	530	502
Other liabilities	25	23
Deferred income	3 593	1 201
Deferred expenses	-	-
	23 563	6 796

In 2020, entrusted funds received from the governing bodies, which were not invested before the reporting date, are posted in other liabilities and recognised as "Liability from Financing Agreements".

Of the amount of EUR 19 415 thousand, an amount of EUR 4 478 thousand represents a liability under the Financing Agreement with the Ministry of Transport of the SR (intermediate authority: Ministry of Economy of the SR), an amount of EUR 2 789 thousand represents a liability under the Agreement on Financing of the Central Europe Fund of Funds (CEFoF) with the Ministry of Finance of the SR, and an amount of EUR 12 148 thousand represents a liability under the Agreement on Financing of Venture to Future Fund with the Ministry of Finance of the SR.

In 2019, entrusted funds received from the governing bodies which were not invested before the reporting date are posted in other liabilities and recognised as the "Liability from Financing Agreements". Of the amount of EUR 5 070 thousand, an amount of EUR 2 125 thousand represents a liability under the Financing Agreement with the Ministry of Education, Science, Research and Sport of the SR (OP Research and Innovations of the Ministry of Economy of the SR) and an amount of EUR 2 945 thousand represents a liability under the Agreement on Financing of the Central Europe Fund of Funds with the Ministry of Finance of the SR.

Based on Slovak Government's resolution No. 736/2013 of 18 December 2013, the Plan to Implement Funds Through Slovak Investment Holding, a.s. in the programming period 2014 – 2020 was approved, for which a minimum amount of 3% of each operational programme will be allocated (except for operational programmes for the European Territorial Cooperation Objective).

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

The Company signed Financing Agreements with the Ministry of Transport, Construction and Regional Development of the SR, Ministry of Environment of the SR, Ministry of Labour, Social Affairs and Family of the SR, Ministry of Agriculture and Rural Development of the SR, Ministry of Interior of the SR (hereinafter the "Ministries") and with National Development Fund II., a.s. (formerly Slovak Investment Holding, a.s.) under which the Ministries entrusted funds that were/will be invested in National Development Fund II., a.s. (formerly Slovak Investment Holding, a. s.). The Company was engaged to manage the funds and its role is to ensure the funds are used solely in line with the investment strategy, for which the Company is entitled to a management fee.

Deferred income (ie income in the current reporting period pertaining in terms of substance to deferred income). The item represents income deferrals as regards fees for management of National Development Fund II., a.s. The fees are invoiced for the benefit of the Company on an annual basis when due for 12 months.

Movements in the Social Fund account during the year were as follows:

	2020 EUR '000	2019 EUR '000
At the beginning of the reporting period	9	9
Creation	6	4
Drawing	-7	-5
As at 31 December	8	9

13. Share Capital

	2020 EUR '000	2019 EUR '000
Share capital fully subscribed and paid:		
At the beginning of the reporting period	300	300
As at 31 December	300	300

As at 31 December 2020, subscribed and paid up share capital consists of 300 ordinary shares with a face value of EUR 1 000 per share. Holders of ordinary shares have one voting right per ordinary share.

The Company's share capital was recorded in the Business Register in the amount of EUR 300 000 on 1 May 2014.

	2020 EUR '000	2019 EUR '000
Profit/(loss) after tax	2 557	1 982
Number of shares	300	300
Basic/diluted loss/earnings per share in EUR	8 524	6 607

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

14. Reserve Funds and Retained Earnings

	Profit for the reporting period EUR '000	Legal reserve fund EUR '000	Other capital funds EUR '000	Total EUR '000
At 1 January 2019	3 703	60	1 500	5 263
Payment of dividends and royalties	-1 050			-1 050
Profit for 2020	2 557			2 557
At 31 December 2020	5 210	60	1 500	6 770

	Profit for the reporting period EUR '000	Legal reserve fund EUR '000	Other capital funds EUR '000	Total EUR '000
At 1 January 2019	2 121	60	1 500	3 681
Payment of dividends and royalties	-400			-400
Profit for 2019	1 982			1 982
At 31 December 2019	3 703	60	1 500	5 263

Ordinary shares holders are entitled to dividends when they are declared.

(a) Legal Reserve Fund
The legal reserve fund was created at the Company's establishment by a contribution of the shareholders in an amount of up to 10% of the share capital pursuant to the Company's Articles of Association.

As per the decision of the General Meeting, the profit for the 2019 reporting period was distributed on 17 June 2020 as follows: payment of dividends in the amount of EUR 1 000 thousand and payment of royalties in the amount of EUR 50 thousand. The amount of EUR 473 thousand was transferred to Retained earnings from previous years.

The proposed distribution of profit for the 2020 reporting period is as follows: payment of dividends in the amount of EUR 350 thousand and payment of royalties in the amount of EUR 50 thousand. The amount of EUR 2 157 thousand will be transferred to Retained earnings from previous years.

15. Net Fee and Commission Income

The Company generated management fees for the management of National Development Fund II., a.s. (formerly Slovak Investment Holding s.r.o.) and National Development Fund I., s. r. o. (formerly Slovenský záručný a rozvojový fond, s.r.o.):

	2020 EUR '000	2019 EUR '000
National Development Fund II., a.s.	5 014	4 316
National Development Fund I., s. r. o.	660	666
	5 674	4 982

This is an English language translation of the original Slovak language document.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

16. Other Income

	2020 EUR '000	2019 EUR '000
Other income	65	129
	65	129

Other income in 2020 comprises invoiced and reimbursed expenses for due diligence and external advisory incurred by the Company when performing "direct" equity investments (EUR 29 thousand) and revenues from services provided to SAM.

17. Personnel Expenses

	2020 EUR '000	2019 EUR '000
Wages and salaries (incl. bonuses)	1 292	1 324
Social insurance	446	451
	1 738	1 775

18. General Administrative Expenses

	2020 EUR '000	2019 EUR '000
Rent	149	143
Legal advisory services	177	183
Travel expenses, training courses and recruitment	10	33
Marketing and advertising expenses	52	49
Telephone and other communication charges	24	26
Material costs	5	4
Audit services	19	16
Training courses	6	18
IT services	71	20
VAT coefficient	77	94
Lease of transportation means	22	23
Transaction, financial and tax advisory	33	134
Other services	64	44
	710	787

Deloitte Audit s.r.o. (audit firm) provides services to the Company, in particular services related to the audit of the separate financial statements for the period ended 31 December 2020 (2019: Deloitte Audit s.r.o.). Deloitte Audit s. r. o. provided no other services to the Company. "Audit services" include an amount for the audit of the Company and National Development Fund II., a.s.

As at 31 December 2020, the Company employed 28 employees (full time) (2019: 31), of which 3 were managers. The full-time equivalent was 28.5 employees (2019: 27.1).

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

19. Income Tax

Income tax structure:

	2020 EUR '000	2019 EUR '000
Recognised in profit or loss		
Current income tax of the current year	694	504
Deferred tax (Note 8)	1	37
Total income tax	(695)	(541)

Act No. 341/2016 Coll. amending Act No. 595/2003 Coll. on Income Tax, as amended, was approved on 23 November 2016 with effect from 1 January 2017. The said act changes the corporate income tax rate applicable in 2017 to 21%. The income tax rate of 21% was used for the deferred tax calculation.

Tax on pre-tax profit differs from the theoretical tax which would arise if the valid income tax rate was applied:

	2020 EUR '000	2019 EUR '000
Profit before taxes	3 252	2 523
Theoretical tax calculated using the tax rate of 21% (2019: 21%)	(683)	(530)
Tax non-deductible expenses – tax effect	(11)	(11)
Non-taxable income – tax effect		-
Total	**(694)**	**(541)**

Calculation of the corporate income tax base as at 31 December 2020 and 31 December 2019:

	2020 EUR '000	2019 EUR '000
Loss/profit before taxes	3 252	2 523
+ Items that are not tax-deductible expenses	429	425
- Items not included in the tax base, decreasing the profit/loss before taxes	373	342
Tax base or tax loss	3 308	2 605
Tax loss deduction	-	(208)
Tax base decreased by tax-deductible items	3 308	2 397
Tax rate as per Article 15 (in %) of the Income Tax Act	21	21
Tax	**(694)**	**(504)**

20. Related-Party Transactions

Related parties are entities which exercise control over the Company or the Company over them, or if an entity has significant influence over the other party when making decisions on financial and operating activities.

The Company performs transactions with related parties, ie its shareholder and members of top management.

Transactions with the following related parties were carried out on an arm's length basis.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

a) Shareholder

(Slovenská záručná a rozvojová banka, a. s.)

	2020 EUR '000	2019 EUR '000
Assets		
Current bank account	5	5
Advance payments made	11	13
Liabilities		
Building security	2	1
Provision for lease-related services	11	11
Provision for liabilities (re-invoicing of costs of audit)	19	16
Transactions with the shareholder:		
Rent for non-residential premises and furniture	111	106
Lease-related services and security guards	11	19
Audit	19	12

b) National Development Fund II., a.s.

	2020 EUR '000	2019 EUR '000
Assets		
Investments	27	
Trade receivables	550	26
Deferred income		
Fees	3 592	1 201
Revenues		
Revenues from management	5 013	4 316

c) National Development Fund I., s. r. o.

	2020 EUR '000	2019 EUR '000
Investments	4	
Receivables	380	320
Revenues		
Revenues from management	660	666

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

d) Slovak Asset Management, správ. spol., a. s.

	2020 EUR '000	2019 EUR '000
Investments	338	233
Receivables	40	-
Revenues		
Revenues from management	35	-

e) Národný centrálny depozitár cenných papierov

Liabilities	2020 EUR '000	2019 EUR '000
Trade payables	1	1

Expenses	2020 EUR '000	2019 EUR '000
Fees for management and account administration	60	40

f) Ministries

Liability under the Financing Agreement	2020 EUR '000	2019 EUR '000
Ministry of Economy of the SR (RO MD)	4 477	2 125
Ministry of Finance of the SR		2 946

g) Members of the Company Top Management

The amount of monetary and in-kind income of management members as at 31 December was as follows:

	2020 EUR '000	2019 EUR '000
Monetary income	290	294
In-kind income	-	-
	290	294

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

21. Fair Value

The fair value is a consideration which would be obtained for the sale of an asset or which would be paid for the transfer of a liability in a standard transaction between market participants as at the measurement date. If market prices are available (especially for securities traded on the stock exchange and active markets), the fair value estimate is derived from market prices. All other financial instruments were measured based on internal valuation models including present value models or using expert opinions.

Fair values and carrying amounts of financial instruments are presented in the table below:

Financial assets	**Carrying amount 2020 EUR '000**	**Fair value 2020 EUR '000**	**Carrying amount 2019 EUR '000**	**Fair value 2019 EUR '000**
Cash and cash equivalents	29 239	29 239	11 913	11 913
Investments	369	369	233	233
Other assets	987	987	364	364

Financial liabilities	**Carrying amount 2020 EUR '000**	**Fair value 2020 EUR '000**	**Carrying amount 2019 EUR '000**	**Fair value 2019 EUR '000**
Trade payables	63	63	49	49
Other liabilities	23 563	23 563	6 796	6 796

When estimating fair values of the Company's financial assets, the following methods and assumptions were used:

Cash and Cash Equivalents

The fair values of current account balances approximate their carrying amounts. For an account with a remaining maturity period of less than three months, it is reasonable to consider its carrying amount as an approximate fair value.

Investments

Investments in subsidiaries were measured at cost and are recognised at fair value, which reflects the assessment of risks having an impact on the impairment of assets held by subsidiaries.

Other Assets

Receivables are stated at their net value, less of provisions. For accounts with a remaining maturity period of less than three months, it is reasonable to consider their carrying amount as an approximate fair value. The fair value of other receivables from clients is calculated by discounting future cash flows using current market rates and estimated risk margins.

Trade and Other Payables

The estimated fair value of liabilities approximates their carrying amount. The fair value of liabilities with remaining maturity period of more than three months is estimated by discounting their future expected cash flows using the zero-risk interest rate curve. The Company has no liabilities with remaining maturity period of more than three months.

Received Loans

The fair value of received loans is calculated by discounting future cash flows using valid interbank rates. For received loans with a remaining maturity period of less than three months, it is reasonable to consider their carrying amount as an approximate fair value.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2020

22. Contingent Assets and Liabilities

The Company recorded no contingent assets or contingent liabilities in the 2020 reporting period.

Given that many areas of Slovak tax law have not yet been sufficiently verified in practice, there is uncertainty as to their application by the tax authorities. The level of such uncertainty cannot be quantified and will be eliminated once the legal precedents or official interpretations by the relevant authorities are available. Company management is not aware of any circumstances due to which it could incur significant costs.

23. Off-balance Sheet Items

The Company does not include the subsidiaries **National Development Fund I., s. r. o. ("NDF I")** and **National Development Fund II., a.s. ("NDF II")** in the Slovak Investment Holding, a. s. consolidation group as it does not exercise control over these entities. National Development Fund II., a.s. ("NDF II") and National Development Fund I. s. r. o. ("NDF II") are subsidiaries, however, investing in these companies is governed by special contracts, under which the Company does not receive rewards or assume risks in respect of invested funds. Under the assessment above, the aforementioned companies are not considered to be companies controlled by the Company and therefore, they are not reported in the off-balance sheet accounts.

Slovak Asset Management, správ. spol., a. s. does not meet the consolidation criteria.

The Company has a share in the share capital of **National Development Fund II., a.s. ("NDF II")** with its registered office at Bratislava, Grösslingová 44, Slovakia, which was formed by a Deed of Foundation executed on by its sole founder – Slovenská záručná a rozvojová banka, a.s. on 7 April 2014 and incorporated in the Business Register maintained by District Court Bratislava I, Section: Sa, File No. 5948/B on 26 April 2014 which is its formation date. During 2020, the company's share capital was increased. As at 31 December 2020, the total share capital of NDF II amounted to EUR 333 918 thousand (2019: EUR 222 543 thousand). On 15 January 2020, the Company purchased a 0.007% ownership interest from SZRB held in its own name and to its own account. The principal business activity of NDF II is raising funds from investors with the aim of investing the funds in accordance with a defined investment policy.

The Company has a share in **National Development Fund I., s. r. o. ("NDF I")** with its registered office at Bratislava, Grösslingová 44, Slovakia, which was formed by a Deed of Foundation executed by its sole partner – Slovenská záručná a rozvojová banka, a.s. ("SZRB") on 10 March 2009 and incorporated in the Business Register maintained by District Court Bratislava I, Section: Sro, File: No. 57505/B on 21 March 2009, which is its formation date. On 12 January 2011, the European Investment Fund ("EIF") became a shareholder in NDF I. On 1 January 2016, the Company became a shareholder in the company and replaced EIF. On 15 January 2020, the Company purchased a 0.004% ownership interest from SZRB held in its own name and to its own account. As at 31 December 2020, the total share capital of NDF I amounted to EUR 107 973 thousand (2019: EUR 107 973 thousand).

Below is given an overview of off-balance sheet items by amount of assets under management invested in National Development Fund II., a.s. by ministry and operational programme:

	2020 EUR '000	2019 EUR '000
Ministry of Transport, Construction and Regional Development of the SR (OPII)	67 351	67 351
Ministry of Agriculture and Rural Development of the SR (IROP)	73 783	73 783
Ministry of Economy of the SR (RO MD)	185 462	62 256
Ministry of Environment of the SR (OP EQ)	35 335	35 335
Ministry of Interior of the Slovak Republic	3 393	3 393
Ministry of Labour, Social Affairs and Family of the Slovak Republic	14 625	14 625
TOTAL	**379 950**	**256 743**

Below is given an overview of off-balance sheet items by amount of assets under management invested in National Development Fund I., s. r. o. by ministry and operational programme:

	2020 EUR '000	2019 EUR '000
Ministry of Finance of the Slovak Republic	107 973	107 969
TOTAL	**107 973**	**107 969**

24. Events After the Reporting Date

From 31 December 2020 up to the preparation date of the financial statements, there were no events that would have a significant impact on the Company's assets and liabilities, except for those referred to above and those resulting from the ordinary course of business operations.

ATTACHMENTS

Annex 2: Report on the Review of Consistency of the Annual Report with the Financial Statements

Deloitte.

Deloitte Audit s.r.o.
Digital Park II, Einsteinova 23
851 01 Bratislava
Slovak Republic

Tel: +421 2 582 49 111
deloitteSK@deloitteCE.com
www.deloitte.sk

Registered in the Business
Register of the District Court Bratislava I
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

Slovak Investment Holding, a. s.

SUPPLEMENT TO THE INDEPENDENT AUDITOR'S REPORT
to Section Report on Information Disclosed in the Annual Report

To the Shareholder, Supervisory Board and Board of Directors of Slovak Investment Holding, a. s.:

We have audited the financial statements of Slovak Investment Holding, a. s. (the "Company") as at 31 December 2020 disclosed in appendix of the accompanying annual report of the Company, on which we issued an independent auditor's report on 24 February 2021 that is disclosed in appendix of the Company's annual report. We have prepared this supplement in accordance with Article 27 (6) of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Statutory Audit Act").

Based on the performed procedures described in section "Report on Information Disclosed in the Annual Report" of the independent auditor's report specified above, in our opinion:

- Information disclosed in the Company's annual report prepared for 2020 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to Act No. 431/2002 Coll. on Accounting, as amended.

Furthermore, based on our understanding of the Company and its position obtained during our audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report. There are no findings that should be reported in this regard.

Bratislava, 8 November 2021

Ing. Zuzana Letková, FCCA
Responsible Auditor
Licence SKAu No. 865

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

This is a translation of the original supplement to the auditor's report issued in the Slovak language to the accompanying annual report translated into the English language.