

# J&T INVESTMENTS

Sub-fund J&T INVESTMENTS SICAV, a.s.  
Fund for qualified investors

Activities of J&T INVESTMENTS fund  
in the second quarter of 2021



**J&T**

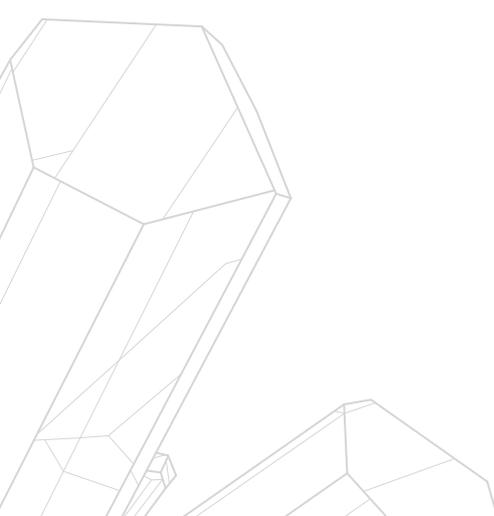
Dear investors,

I would like to update you concerning the main activities and results of J&T INVESTMENTS in the second quarter of this year. Perhaps a little unusually, I will start with information about changes that have recently taken place in the Fund.

In mid-August we invested into the holding company J&T CAPITAL PARTNERS that will consolidate all ownership interests of Patrik Tkáč in joint business projects with Daniel Křetínský.

After one year of its existence, and together with this investment, we decided to rename the Fund. So from today onward, you will find the Fund under the name **J&T ARCH INVESTMENTS**. For the cofounder and J&T shareholder Patrik Tkáč, the name ARCH has a symbolic meaning of a journey together that is not always easy but nevertheless interesting and successful, a journey that is based upon mutual trust, which, in our opinion, is the most valuable thing in life and in business.

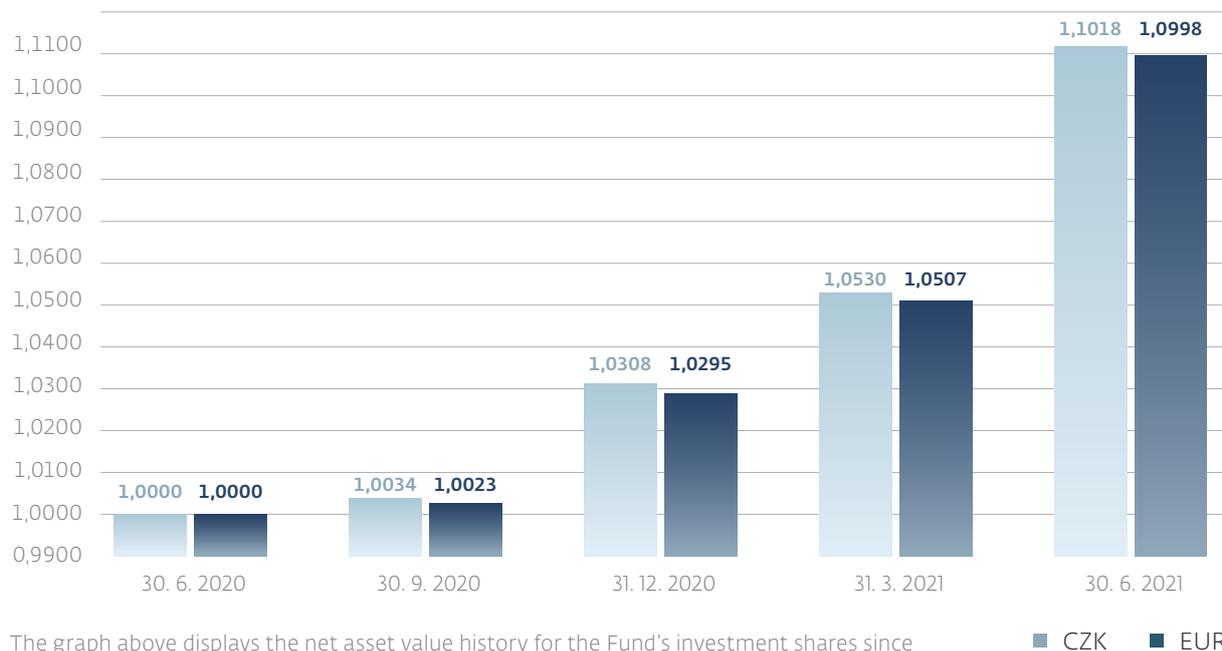
Now, allow me to present the Fund's results of the second quarter in more detail.



## SUMMARY OF THE FUND'S RESULTS AS OF THE END OF THE SECOND QUARTER

As of 30 June 2021, the Fund's assets totaled CZK 7.36 billion, which represents an increase in assets under management by 82 % compared to the end of March. The net asset value per share grew to CZK 1.1018 during the calendar quarter, representing appreciation of 4.63 % in the case of a crown-denominated investment share and to EUR 1.0998 (4.67 %) in the case of a euro-denominated investment share. On a trailing 12 months basis, the announced net asset value per investment share grew by 10.18 % (9.98 %).

## DEVELOPMENT OF THE SHARE PRICE AS ANNOUNCED QUARTERLY BY THE INVESTMENT COMPANY

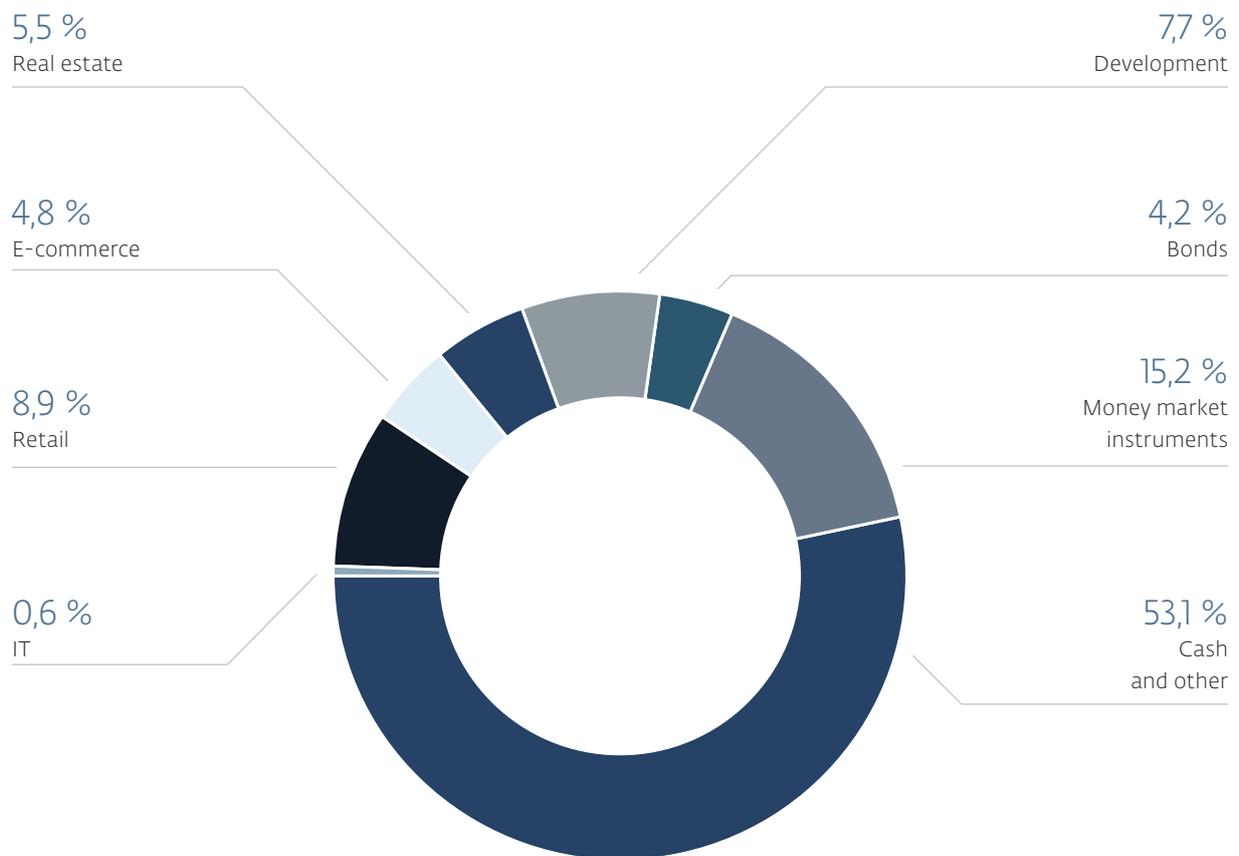


The graph above displays the net asset value history for the Fund's investment shares since its establishment (June 2020). Returns are presented as gross values. An investor's returns in foreign currencies may increase or decrease as a result of exchange rate fluctuations.

The growth in the value of the investment share is mainly due to revaluation of investments into the Rohlík Group and logistics premises in Nošovice and Mošnov. In addition to appreciation of the existing portfolio, the overall growth of the Fund's assets under management is mainly due to primary subscription of new investment shares by J&T Private Equity Group in the amount of approximately CZK 3.1 billion.

As we have already informed you in our last letter, investment shares of J&T INVESTMENTS were admitted to trading on the Prague Stock Exchange at the beginning of May. Almost immediately, both share classes ranked among the most liquid equity titles in Prague in terms of daily traded volumes. We are very pleased that our ambition to bring you additional liquidity and ability to trade more quickly through the stock exchange is being fulfilled.

## J&T INVESTMENTS PORTFOLIO AS OF 30 JUNE 2021



## ROHLÍK.CZ BECOMES THE FIRST CZECH UNICORN

Rohlík Group a.s. received a capital injection of CZK 100 million at the end of June as part of an additional investment round. The investment round was led by Index Ventures, a British–American fund, and Rohlík Group was thus able to attract another important global investor. J&T INVESTMENTS took part in the round through the JTFG Fund I, investing EUR 1.7 million and thereby retaining its indirect percentage ownership share in the company. The additional capital raised is intended to accelerate investments into technologies and mainly to finance international expansion to Italy, France, Spain, and Romania.

Parameters under which the investment round took place value the Rohlík Group at more than USD 1 billion, and thus the company has become the first purely Czech unicorn. In line with this valuation, J&T INVESTMENTS also revalued its investment. The appreciation by 39.5 % constitutes an important contribution to the overall appreciation of the Fund during the second quarter of 2021.

## PROGRESSING SALE OF LOGISTICS PROJECTS IN MOŠNOV AND NOŠOVICE

We informed you in the last letter that Colorizo Investment from the portfolio of the J&T Property Opportunities Fund had launched the process of selling logistics premises in Ostrava-Mošnov and Nošovice. During the second quarter, a letter of intent was signed with one of the investors. Sale of individual halls should proceed gradually in several phases within the next 12 months following their gradual completion and moving in of tenants. Even though we consider logistics to be one of the most attractive real estate segments at the moment, we think that the conditions offered to us are so advantageous that it is reasonable to accept them. We will reinvest the capital into other opportunities as it gradually becomes available.

As of 30 June, we value the investment based upon the conditions agreed in the letter of intent, which have been conservatively adjusted by a risk premium reflecting the fact that the transaction has not yet been concluded and is subject to successful completion and occupancy of individual halls. By its appreciation of 14.4 %, this investment also contributed significantly to the overall appreciation of J&T INVESTMENTS in the course of the second quarter.

## NEW INVESTMENTS IN RETAIL PARKS

In addition to logistics premises, we consider also regional retail parks to comprise today a very attractive segment in the real estate sector. In our opinion, a potentially very appealing risk-adjusted return ensues from a combination of several key factors. First, the market is not entirely saturated and generally rather smaller transactions have not yet attracted strong competition from big international investors. Other factors include relatively lower investment outlays that, especially important in these days, reduce the exposure to high prices of building materials and works, as well as a robust business model based on physical proximity to customers, the type of tenants and the store format. This is a segment that held up even in times of the harshest anti-epidemic measures.

One of the strategies of J&T Property Opportunities is to invest in development projects within this very segment. The investment team is currently working on several potential transactions. The first that we succeeded to execute is financing the purchase of plots in the cadastral area of Velká Bytča in Slovakia that are intended for development of a retail park with lettable area of more than 8,000 square meters. The project is attracting great interest already today from potential tenants, and we therefore believe it will yield attractive gains in the future.

## ACQUISITION OF SANDBERG FUND

During the second quarter, there was a further drawing of funds by Sandberg Investment Fund II. Using these funds, Sandberg acquired a 40 % share in Daktela s.r.o., the largest Czech provider of software solutions for contact centers. A quality product and growing market in combination with Sandberg Capital's experience in the telecommunication sector and in managing international expansion supports the aim to make the company a regional leader within 5–7 years.

## AVAILABLE LIQUIDITY OF J&T INVESTMENTS AND ITS USE IN THE THIRD QUARTER

As of 30 June, a significant part of the portfolio consisted of liquid funds in the forms of cash and investments in short-term securities. About CZK 3.1 billion of these liquid funds were from the new subscription of investment shares carried out at the end of June. During the third quarter we have invested most of these liquid funds through the special-purpose fund J&T ALLIANCE SICAV into the holding J&T CAPITAL PARTNERS. Through this investment, the Fund obtained indirect exposure to a 44 % share of Energetický a průmyslový holding, and prospectively also to other joint projects of the investment partnership of Patrik Tkáč and Daniel Křetínský.

We carried out this investment through the so-called Investor class of investment shares of the J&T ALLIANCE fund. Although its configuration on the one hand limits the maximum attainable return to 10 % p.a., on the other hand it provides J&T INVESTMENTS with partial protection against loss. That protection is provided by assets of the so-called Shareholder class of investment shares, which are owned by J&T Group. The Investor-to-Shareholder class ratio currently protects J&T INVESTMENTS against a drop in the J&T ALLIANCE fund's value by as much as 20 %. We will regularly evaluate whether the relationship between maximum realizable yield and the level of protection provided against loss is advantageous for us. Our medium-term goal is for the J&T CAPITAL PARTNERS investment to make up a significant part of the J&T INVESTMENTS portfolio. In our opinion, its design brings a significant element of stability to the Fund's portfolio.

We thank you for your trust.



Adam Tomis

Investment Director of J&T Finance Group  
Member of the Investment Committee of J&T INVESTMENTS

## Legal notice

This promotional communication has not been created by J&T BANKA, a. s. (hereinafter referred to as the "Bank"), nor does it constitute a proposal to enter into a contract or an offer to purchase or subscribe. This material is a summary presented by J&T INVESTIČNÍ SPOLEČNOST, a.s., as manager of the aforementioned investment funds for qualified investors, on the operations and activities of these funds and is based upon information currently available at the time of its preparation up to the date as stated above. No information contained in this communication is intended to be, nor should it be construed as, an analysis of investment opportunities, an investment recommendation, or investment advice. The Bank acts only as a distributor of said investment instrument. The communication is for information purposes only and is intended to provide investors with basic information. It is not intended to substitute for the statutes or to provide a comprehensive summary of them. The Bank encourages investors to familiarize themselves with the statutes. The Fund's statutes are available on the administrator's website at [www.jtis.cz](http://www.jtis.cz).

Information on expected returns is not a reliable indicator of actual future performance. In order to obtain net return values, an investor must specifically take into account fees charged by the Bank as per the currently valid price list and any relevant tax rate, which depends upon the investor's personal circumstances and is subject to change. Investment instruments are subject to risk of fluctuations in the current value of the amount invested and the returns thereupon. Return of the amount originally invested is not guaranteed. The Bank explicitly draws attention to the fact that this document may contain information relating to investment instruments and entities in which the Bank or another entity concerned has a proprietary interest, in particular having a direct or indirect interest in such entities or conducting transactions in investment instruments relating to such entities. Rules for managing conflicts of interest that govern the procedures for managing conflicts of interest in relation to the Bank's activities as a market maker are published on the Bank's website at [www.jtbank.cz](http://www.jtbank.cz).

In case of providing the service of subscribing to and placing investment instruments, the Bank may receive from the Fund remuneration for activities directed to subscription of investment instruments. The amount of the regular remuneration is determined as a percentage of the total volume of investments made into these investment instruments that is intermediated by the Bank and one-off remuneration consisting in an initial fee paid by the Investor. For intermediating the subscription of investment instruments, the Bank may then pay its contractual partners (intermediaries) a commission on the volume of investments intermediated, up to the amount of the Bank's remuneration. General information on incentives in relation to the Bank's provision of investment services is published on the Bank's website.