

**Nation 1 Fund**

Luxembourg, 25 March 2024

Re: ESIF Czech Republic - Follow-up of EIF's monitoring visit

Dear Sir, dear Madam,

We refer to our Fund Agreement signed under ESIF Czech Republic.

First of all, we would like to thank you for your availability as well as the fruitful cooperation and support during our monitoring visit.

During the visit, we have analysed the procedures and processes that you have in place to ensure compliance of those with the terms of the Agreement. In that regard, we would like to draw your attention to the matters identified during the review and presented in the enclosed summary report.

If you have any questions, please contact Ms. C. Maurice-Buchanan.

Yours sincerely,

EUROPEAN INVESTMENT FUND

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Bjorn Tremmerie
Head of Division ITI - TECH
Equity Investments & Guarantees

A handwritten signature in black ink, appearing to read 'L. Ramirez', with a long horizontal stroke extending to the right.

L. Ramirez
EI Manager
Equity Investments & Guarantees

Enc.: Summary of Monitoring Findings

Exception(s) noted

Category	Finding level (Financial Intermediate/ Portfolio Company)	Summary of findings (including the reference to Portfolio Company name).	EIF conclusion /action points	Follow up required from EI (Yes/ No)	Deadline for EI follow up
FI - Checks on Fund manager - Ownership, Carry allocation, Team composition, Litigation and defaults investors	FI	Firstly, some other investors have been systematically late for payment. Secondly, one of the team members (Petra) is not part of the team anymore but willing to collaborate not to block operations.	The relevant colleagues in EIF have been notified and are following up as necessary.	No	n/a
FI - Compliance with laws	FI	The procedure did not cover all the requirements.	The procedure has been updated.	No	n/a
FI - Data protection	FI	The procedure did not include all the requirements.	The procedure has been updated.	No	n/a
FI - Drawdown and Repayment process	FI	Firstly regarding drawdown reconciliation: it was difficult to reconcile drawdowns with invested amounts due to the extensive use of cash reserves. In the end, the total invested matched in both EIF system and FM. Secondly, the procedure did not include all the requirements. Recommendation to move away from excel and work with software to avoid operational risk in future.	All questions have been subsequently clarified.	No	n/a
FI - General promotional visibility	FI	The text accompanying the logo on the marketing material (website, press release, events etc.) was different from the one in the Side Letter.	The website was subsequently updated and the FM has taken note of the obligation for further marketing material.	No	n/a
FI - Maintenance of records	FI	The procedure did not cover all the requirements.	The procedure has been updated.	No	n/a
FI - Management fees and expenses	FI	Firstly, the procedure did not include all the requirements. It was subsequently updated. Secondly, question on the bank account extract to prove interest on bank account, provided subsequently.	All questions have been subsequently clarified.	No	n/a
FI - Reporting process	FI	The procedure did not include all the requirements.	The procedure has been updated.	No	n/a
FR - Compliance with laws	FR	The requirements were not transposed for any company in the portfolio.	The Fund Manager has been updating the legal documentation for the whole portfolio.	Yes	31/05/2024
FR - Publication of information	FR	The requirement was not included for any company in the portfolio.	The Fund Manager has been updating the legal documentation for the whole portfolio.	Yes	31/05/2024