



# Annual Report 2022

# Contents of Annual Report

*This version of the financial statements is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over this translation.*

01

Report of the  
Management  
Board

02

Profile of  
NOVA Green Energy – Sub-Fund 2

03

Financial part  
NOVA Green Energy – Sub-Fund 2

# Key economic indicators

**20**

**GWh**

Annual electricity production

**156**

**million CZK**

Total annual sales

**1.2**

**billion CZK**

Unleveraged assets under management







# Report of the Management Board

Dear shareholders and business partners,

We would like to take this opportunity to thank you for your support and trust and at the same time inform you about the activities of the investment fund NOVA Green Energy, SICAV, a.s. – NOVA Green Energy – Sub-Fund 2, for the period from 28 March 2022 to 31 December 2022. We would also like to inform about the intentions and future plans of the Board of Directors as the investment company's managing body, acting as the manager and administrator of the fund. Our priority objective is the continuous appreciation of investors' deposits and the development of the Fund's assets.

After the start of the war in Ukraine in February, Europe woke up to a new energy era where many axioms suddenly collapsed. In addition to the increased need to diversify the fuel base, there has been an unprecedented increase in demand for renewable energy sources, including photovoltaic power stations. One of the unfortunate consequences of the military conflict has been an unprecedented rise in the price of all energy, affecting perhaps every part of the economy and industry, including the electricity sector. The governments of individual European countries outdid each other in investment incentives for the construction of new sources of green electricity, which resulted in an increase in investments in a given segment, including our funds.

A concomitant of high energy prices was the protectionist tendencies of legislators across Europe, e.g. the so-called capping of energy prices for consumers. These huge state aids represent a significant fiscal burden and governments have resorted to introducing new sectoral taxes, such as the windfall tax, in an attempt to find sources to cover such subsidies. In the Czech Republic, it was decided that 90% of the market income above EUR 180/MWh for PV plants will be paid to the state. Poland set the threshold much lower, which could even threaten or significantly slow down investment in PV. However, neither of these restrictions had a negative impact on the performance of our assets in the three European countries.

In 2022, the Sub-Fund 2 earned a total appreciation of 3.58%. However, Sub-Fund 2 only existed for 9 months of 2022 and was actively developing activities for 7 months of 2022. If we annualise the performance of Sub-Fund 2 for 7 months of activity in 2022 for a period of 12 months, it would reach a value of 6.14%. The main reason for the lower results was mainly the unfavourable macroeconomic environment, consisting mainly of an increase in interest rates. This has the effect of increasing the price of senior loans and, above all, the growth of risk-free interest rates, which are defined, for example, by the yields of government bonds. Both effects are reflected in the rise in the discount rate in the valuation of future cash flows, resulting in a decrease in the present value of assets. On the other hand, the same effect achieves an increase in growth potential in the following years.

Operationally, photovoltaic power plants achieved their most successful year yet in 2022 since the start of operations, and their high production partially "compensated" for the current macroeconomic environment, which is characterised by unprecedented increases in interest rates, especially in Hungary and

the Czech Republic.

In the middle of last year, the restructuring plan of Arca Capital Slovakia, a.s. was approved. In order to finally resolve this situation, Sub-Fund 2 was created. As part of the "side-pocket" project, all liquid assets (approximately 70% of the Fund's NAV) were transferred from Sub-Fund 1 to Sub-Fund 2 against the issue of investment shares of Sub-Fund 2 at an aliquot market value (approximately EUR 53 million). Sub-Fund 1 has thus ceased its investment activities and will continue to focus only on the management of previously acquired assets, with the aim of gradually transferring these assets to Sub-Fund 2, against the issue of further investment shares of Sub-Fund 2, with the subsequent transfer of shareholders from Sub-Fund 1 to Sub-Fund 2. This step is intended to protect the investors and the subject assets from the uncertainties related to the reorganisation process of Arca Capital Slovakia, a.s. and at the same time to enable the continuation of the investment plan through Sub-Fund 2.

In Sub-Fund 2, we focused on the operational optimisation of assets, including the successful refinancing of the complete portfolio. The aim of this step was to reduce interest costs and to fix them for the remaining period of operation. At the same time, the fund secured additional financial resources, which we used for the development of new projects and partly for liquidity management.

Therefore, Sub-Fund 2 is open to investors for their investments, which we develop in four basic directions:

- 1) construction of new ground-based PV plants;
- 2) building rooftop PV plants grouped into units of acceptable size;
- 3) acquisition of existing energy projects;
- 4) development in non-PV areas such as biomass, wind energy, hydrogen, etc.

From an operational point of view, 2022 was an above-standard year, breakthroughs in power plants exceeded expectations, which helped us overcome difficult macroeconomic and valuation issues. Last year, we also started preparatory work on rooftop PV installations with an installed capacity of up to 3 MWp in the Czech Republic and with a slightly higher capacity in Slovakia.

The Fund now has a total installed electrical capacity of 63 MW and thermal capacity of 4 MW. Annual electricity production is at the level of 77,000 MWh, which covers the consumption of approximately 21,500 households. For many years, this volume of investments ranks us among the most important funds of qualified investors in the field of green energy in the Central and Eastern European region.

In 2022, the energy market in Europe and the Czech Republic continued its gradual transformation towards decentralized sources and strengthening the importance of renewable energy. Unprecedented variations in energy prices have reinforced the importance of independent sources, especially green energy, and indicated a long-term, sustainable direction. The EU Green Deal remains the most important document in the field of European energy. One of the most important goals of this initiative is to reduce

energy consumption by 30% by 2030, by the same year Europe also wants to reduce greenhouse gas emissions by 55% compared to 1990 and at the same time modernize its economy. By 2030, 50% of electricity should be produced from renewable sources according to the plan. At the end of 2021, a taxonomy proposal appeared. The newly introduced "Green Agreement" sets carbon neutrality as the main goal until 2050. These facts bring investments in renewable energy sources to the forefront of investors' interest, which is illustrated by the increased interest in joining the fund from smaller shareholders and large institutions.

In order to make the Sub-Fund 2 more attractive on foreign markets, in last year we obtained Ecolabel certification from the Austrian Ministry of the Environment and Energy. An integral part of this certification is the confirmation of the compliance of the Fund's operation with the principles of the ESG, which we place great emphasis on in managing existing assets and acquiring new acquisitions. The Fund is also a member of the United Nations-sponsored Principles of Responsible Investment (PRI) platform, and this membership helps us meet and set the right investment criteria for sustainable investment.

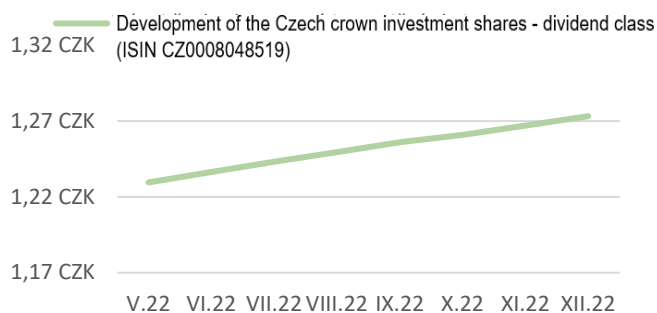
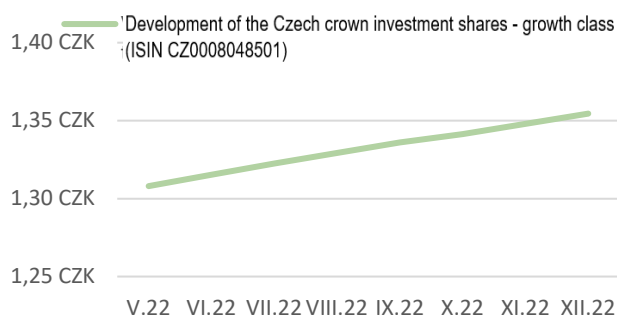
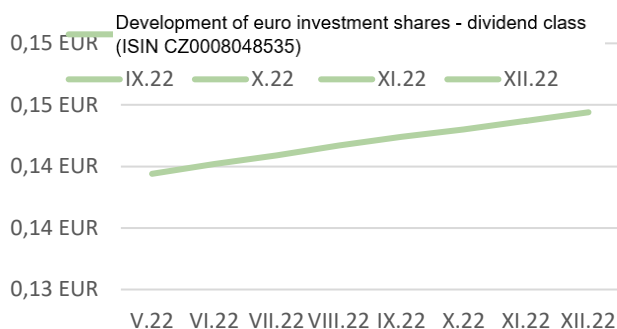
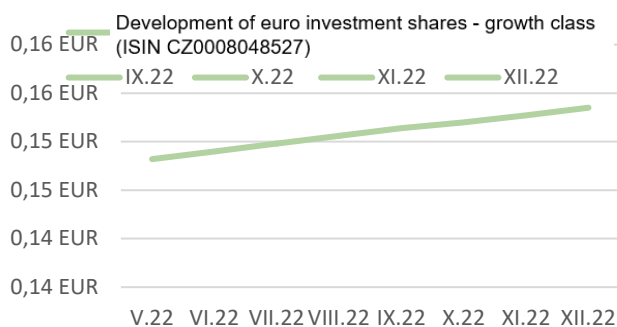
In the Czech Republic, several calls for investment incentives for the construction of PV plants have been launched in the meantime. As part of Sub-Fund 2, we applied for several subsidies, the amount of which is determined as a percentage of the total investment expenses. The subsidy is therefore no longer related to the operation itself, which is newly built purely on a market basis.

In 2020, topics related to so-called "overcompensation" and the solar tax resonated strongly in the Czech Republic. It concerned the fund in connection with Czech PV plants. This debate was concluded during the year, as a specific value of the internal revenue percentage was determined for individual PV plants. Due to the prudent approach to project valuation, this step had no negative valuation effect. On the contrary, it freed us in discussions with the banks, which was closely related to the decision to switch to a buyout in the form of a so-called green bonus in EUR.

## Value of investment shares in 2022

### Sub-Fund 2

As at 31 December 2022, the NAV per 1 piece of CZK investment share of the growth class of the Sub-Fund 2 was CZK 1.3545 (EUR 0.0562), the NAV per 1 piece CZK investment share of the dividend class of the Sub-Fund 2 was CZK 1.2733 (EUR 0.0528), the NAV per 1 piece of EUR investment share of the growth class of the Sub-Fund 2 was EUR 0.1535 (CZK 3.7009) and the NAV per 1 piece CZK investment share of the dividend class of the Sub-Fund 2 was EUR 0.1444 (CZK 3.4812).



## Fund management in 2022

The performance of Sub-Fund 1 ended in 2022 with a profit of CZK 38,598 thousand. Detailed information on the Fund's operations is provided in the Annual financial statements for the period from 28 March 2022 to 31 December 2022.

## Auditor of the Fund

The Fund's results for the period and the financial statements are audited by the PricewaterhouseCoopers Audit, s.r.o., with its registered office at Hvězdova 1734/2c, Nusle, 140 00 Prague 4, Czech Republic, ID: 40765521, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 3637, and in the list of auditing companies at the Chamber of Auditors of the Czech Republic under licence No. 021.

## Perspective for 2023

As stated above, the main tasks of the investment company are mainly the development of the portfolio of Sub-Fund 2. Furthermore, stabilization of the Fund, completion of the side-pocket project and active resolution of the situation with temporarily illiquid assets held by Sub-Fund 1.

Our intention is therefore to appropriately diversify the investment portfolio of renewable resources, both in terms of assets held and territorial, in order to eliminate as much as possible any political risk. In cooperation with the NOVA Real Estate fund, we are preparing PV installations up to 7 MWp and we are currently working on a PV project on the roof of the Trenčín industrial park with planned implementation at the turn of 2023 and 2024.

In 2023, the Fund plans to focus on the following projects:

- Resolution of the situation with biomass heating plants Topolčany and Bardejov, Slovakia, 16 MWe + 53 MWt
- Operational setting of the Krnča biomass power plant
- Photovoltaic power plant Trenčín, Slovakia, 5 MWp;
- Photovoltaic power plant on roofs, Czech Republic up to 3 MWp;
- Other projects of photovoltaic power plants on the roofs of buildings and on the ground, which would use a standard market mechanism based on PPA (Power Purchase Agreement) or market purchase.

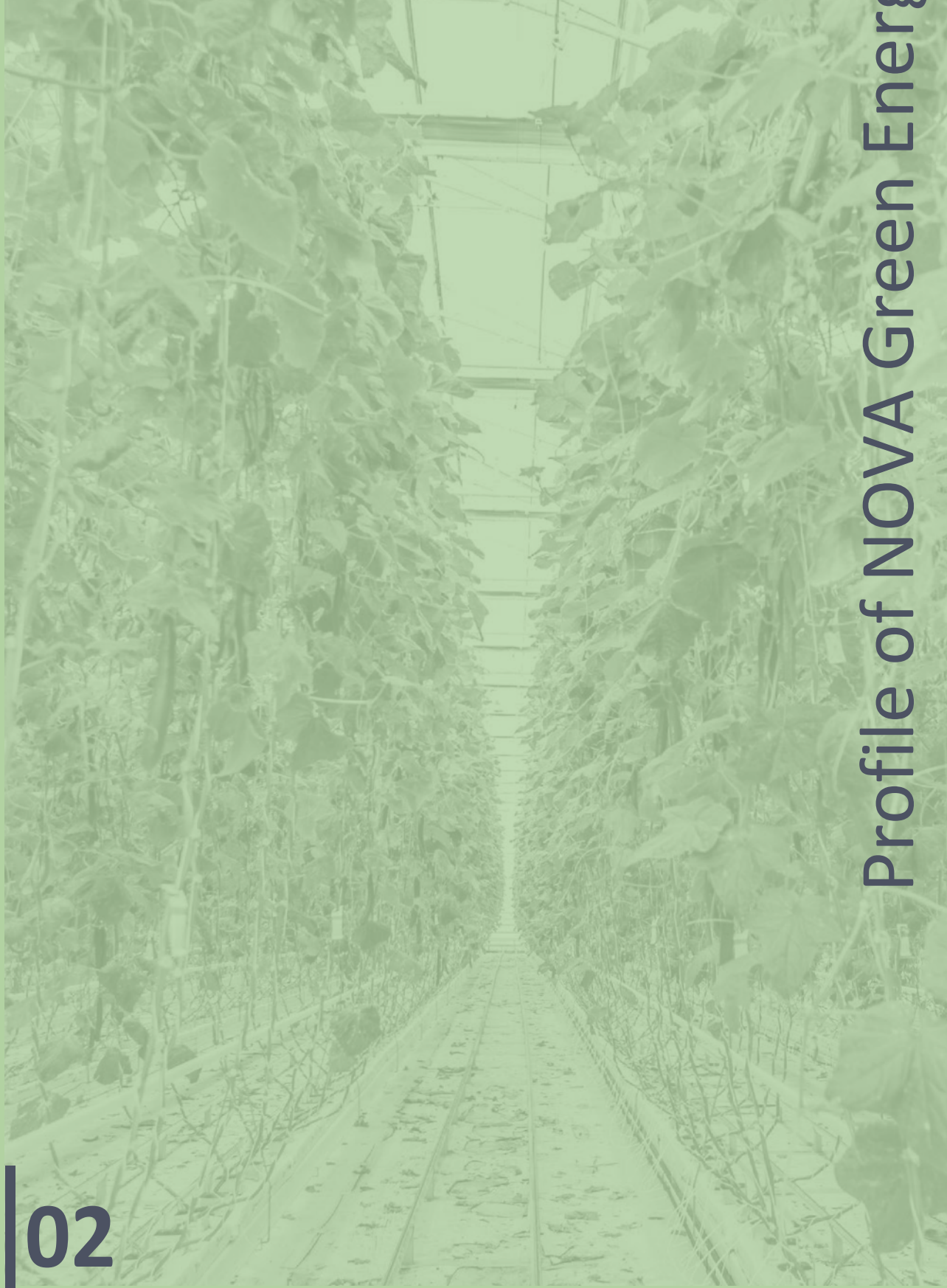


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Martin Dratva

Authorised Representative acting independently as the sole member of the Management Board





**02**

# Profile of NOVA Green Energy – Sub-Fund 2



The decisive period for the purposes of this Annual Report is the accounting period from 28 March 2022 to 31 December 2022. This section of the Annual Report contains information on the administrative centre of the NOVA Green Energy – podfond 2.

## 1. Basic information on investment fund

Name: NOVA Green Energy – podfond 2  
Short name: NGE – PF2  
Company identification No.: 751 63 268  
Registered office: V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic  
Shares: Registered investment shares in dematerialized form without nominal value  
Shares: Growth investment shares A and dividend investment shares A  
Net business assets: CZK 1,226,143 thousand

- 1.1. NOVA Green Energy – Sub-Fund 2 (hereinafter "Sub-Fund") is managed and administered by REDSIDE investiční společnost, a.s.
- 1.2. NOVA Green Energy – Sub-Fund 2 is registered in the list of investment funds maintained by the CNB pursuant to Section 597 (b) of the Act from 28 March 2022.
- 1.3. The Fund is established for an indefinite period.

### Business activity:

The Fund is a fund of qualified investors pursuant to Section 95 (1) (b) of the Act which may create separate sub-funds pursuant to Section 165 (1) of the Act. Each sub-fund collects financial resources from qualified investors by issuing sub-fund's investment shares and carries out joint investment of collected financial means or monetary-valuable items on the basis of a defined investment strategy of the sub-fund for the benefit of these qualified investors.

According to the extract from the commercial register, the only body of the Fund is the Management Board as of 31 December 2022.

### Management Board

Member of the Management Board	REDSIDE investiční společnost, a.s.	since 1 January 2021
Authorized Representative	Martin Dratva	since 2 September 2022

## 2. Information on changes in the facts recorded in the Commercial Register which took place during the decisive period

In 2022 following changes were recorded in the Commercial Register:

As at 2 September 2022, Rudolf Vrešťál was removed from the position of the authorised representative of the sole member of the Management Board of REDSIDE investiční společnost, a.s., and replaced by Martin Dratva.

After the date of preparation of the financial statements, a change in the registered office of the Fund and of the manager was recorded on 3 February 2023. The new registered office of the Company and the Fund is Na Příkopě 854/14, 110 00 Prague – Nové Město.

## 3. Information on the Investment Company managing the investment Fund

Basic information: **REDSIDE investiční společnost, a.s.**, identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362.

Registered capital: CZK 8,400,000 (in the words: eight million four hundred thousand Czech crowns), fully paid

Date of establishment: 29 June 2012

Decision on license for operation: Decision of the ČNB ref. No. 2013/5063/570 dated 29 April 2013, which came into force on 29 April 2013. The Investment Company is registered in the list of investment companies maintained by the ČNB pursuant to Section 596 (a) of the Act and is authorized to exceed the decisive limit.

## 4. Information of facts with significant influence on the activity of the Sub-Fund

### 4.1. Main factors which affected the financial result of the Sub-Fund:

#### 4.1.1. Refinancing of senior loans

Refinancing of loans at most SPVs owned by NGE PF2, where significantly lower interest rates were achieved - positive impact.

#### 4.1.2. Impacts of the macroeconomic situation

Weakened by the pandemic, both the global and the Czech economy were hit by several exogenous shocks in 2022. The war in Ukraine has reduced global economic growth and intensified inflationary pressures, particularly in food and energy prices. In a number of countries, the rate of inflation in the second half of last year was the highest since the 1980s, to which central banks respond by gradually increasing interest rates, often to historic highs. However, it appears that consumer price growth has already peaked in a number of countries, but the question remains how quickly inflation will return to the vicinity of the inflation targets of individual central banks. While in the first half of last year the Czech economy grew despite unfavourable circumstances, in the second half of 2022 and the beginning of 2023 the economy is going through a slight recession. Nevertheless, according to the Ministry of Finance's prediction, the Czech GDP increased by an estimated 2.3% for the entire year 2022. Growth was mainly driven by investments in fixed capital and increased inventory accumulation. Despite a number of fiscal stimulus measures, household expenditure on final consumption fell slightly, due to a sharp increase in the cost of living, especially energy prices, and the tightening of monetary policy.

Rising inflation across all countries in the CEE region in which the fund is active led to sharp increases in interest rates. In the case of Czech companies owned by NOVA Green Energy operating photovoltaic power plants, as a result of the increase in the 3-month PRIBOR interest rate above 7%, the loan was refinanced into EUR at the beginning of 2023 in connection with the transition to the so-called green bonus, which functions as a supplement to the market price electric energy and belongs to producers of electricity from renewable sources. Also in Slovakia, the existing portfolio was refinanced and interest rate swaps concluded. In Hungary, the 3-month BUBOR rate increased by more than 15%. In the case of the second loan under the Csabrendek PV plant, the Fund significantly reduced the ratio of foreign resources with an extraordinary repayment of EUR 5 million and used the possibility offered by the state to achieve the BUBOR rate at the level of 7.77% until at least mid-2023. On the other hand, the current macroeconomic situation had a positive development on the income of some installations, which are based on feed-in tariffs, which are indexed to inflation on an annual basis.

Detailed information on the management of the Fund is provided in the financial statement for the period from 28 March 2022 to 31 December 2022.

## 5. Information on the person who had a qualified ownership interests (as at 31 December 2022)

In the reporting period, no person had a qualified participation.

## 6. Information on the persons in which Fund had a qualified ownership interest (as at 31 December 2022)

Name	share	Identification number	Country
PV-Projekt, s.r.o.	100%	45 281 106	SK
Jakub Solar s.r.o.	100%	46 112 871	SK
CES-SOLAR 33, s.r.o.	100%	46 094 504	SK
CES – SOLAR 42, s.r.o.	100%	46 094 644	SK
FTVE Green Energy 1, s.r.o.	100%	46 025 804	SK
FTVE Green Energy 2, s.r.o.	100%	46 025 553	SK
HK Promotion, s.r.o.	100%	44 707 541	SK
INMADE, s.r.o.	100%	36 689 246	SK
EPSOLAR s.r.o.	100%	44 933 428	SK
SOLARIS One s.r.o.	100%	43 871 917	SK
TECOMA TRAVEL AGENCY, s.r.o.	100%	36 577 537	SK
ENERGOTREND Alfa s.r.o.	100%	28 566 408	CZ
CHILOE, a.s.	100%	28 308 883	CZ
BTH Slovakia s.r.o.	100%	52 957 781	SK

BGZ Slovakia s.r.o.	100%	52 728 382	SK
BZQ Slovakia s.r.o.	100%	53 093 259	SK
FVE Orlice s.r.o.	100%	11 747 218	CZ

FTVE Green Energy 1 owns 100% of FTVE Green Energy 3 and Bioplyn HOROVCE 2 owns 20% of BioElectricity s.r.o.

## 7. Persons acting in concert with Sub-Fund

In the reporting period, the Fund did not act in concert with any person.

## 8. Information on the depositary

Name: UniCredit Bank Czech Republic and Slovakia, a.s.  
Registered office: Želetavská 1525/1, Prague 4, 140 92  
Company identification No.: 649 48 242

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 3608.

## 9. Information on all securities dealers who have acted as securities dealers for the Sub-Fund

During the relevant period, the Fund did not use the services of a securities dealer.

## 10. Information on all monetary and non-monetary considerations received during the decisive period by the sole member of the Management Board

### 10.1. Management Board

The sole member of the Management Board did not receive any other performance from the Fund than the fees arising from the Articles of Association and from the contract on the performance of the function related to the management and administration of the Fund. More detailed information about these services can be found in the section of the Annual Report 05 – Financial section – NOVA Green Energy – Sub-Fund 2 in the Administrative Expenses Note.

## 11. Information on the number of the Sub-Fund investment shares that are owned by the sole member of the Management Board

### 11.1. Management Board

The sole member of the Management Board, REDSIDE investiční společnost, a.s., did not own any investment shares of Sub-Fund 2 as at 31 December 2022.

## 12. Information on litigations or arbitrations the Sub-Fund participated or participates in during the decisive period

Sub-Fund was not involved in any litigation or arbitration during the decisive period.

## 13. Depositary or other custodians of the Sub-Fund

Name: UniCredit Bank Czech Republic and Slovakia, a.s.  
Registered office: Želetavská 1525/1, Prague 4, 140 92  
Company identification No.: 649 48 242

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 3608.

## 14. Information about significant changes of Sub-Fund's statute in the relevant period

The following changes to the Fund's statute were occurred in regard of strategy and focus of the investing fund, outsourcing matters, the Fund's management and risk profile:

In connection with the establishment of the Nova Green Energy – Sub-Fund 2 on 28 March 2022 the entire new statute of the Sub-Fund has been published.



## 15. Information about salary, considerations and similar income of employees and management, paid by the managing company of the Fund to its employees and management

In thousands of CZK	2022	2021
Wages and bonuses of members of the Board of Directors of the managing company	9,907	8,260
Other wages, personnel costs and employee bonuses of the managing company	12,757	14,139
Social costs and health insurance	6,081	6,452
<b>Total personnel expenses of the managing company</b>	<b>28,745</b>	<b>28,851</b>

In 2022, no consideration was paid to the members of the Supervisory Board of the managing company. Remuneration of the members of the Board of Directors consists of fixed and variable component, while the variable component depends on the profits of the managing company.

### Staff statistics of managing company

	2022	2021
Average number of employees	13	15
Number of members of the Management Board	3	3
Number of members of the Supervisory Board	3	3

## 16. Information about salary, considerations and similar income of employees and management, paid by managing company of Fund to those employees or management, whose activity significantly influences risk profile of the Fund

In thousands of CZK	2022	2021
Wages and bonuses of members of the Board of Directors of the managing company	9,907	8,260

## 17. Identification of assets whose value exceeds 1% of the value of the fund's assets at the date of the valuation used for the purposes of this report, indicating the total acquisition price and fair value at the end of the relevant period

In thousands of CZK			
Identification of fund assets	Type of asset	Acquisition cost	Total fair value
Bárdió Solar HU	loan	70,990	74,326
Bankovní účty	cash in banks	91,665	91,665
Ces Solar 33 SK	share	4,772	16,701
Ces Solar 42 SK	share	4,764	17,548
Csete Solar HU	loan	169,644	179,420
Darvás Solar HU	loan	162,470	175,896
DMJ Management Solutions HU	loan	99,440	136,893
Energotrend Alfa s.r.o. CZ	share	49,115	32,229
Energotrend Alfa s.r.o. CZ	loan	15,000	15,070
Chiloe, a.s. CZ	share	120,412	158,713
Chiloe, a.s. CZ	loan	76,582	79,320
Nyires Solar HU	loan	110,873	116,046
Pv Projekt SK	share	8,309	13,445
Pv Projekt SK	loan	35,944	56,098
Solaris One, s.r.o. SK	share	7,014	15,219

## 18. Information on the average number of employees

In the decisive period, the Fund did not employ any employee.

## 19. Investments in research and development

The Fund did not undertake any research and development activities in the past accounting period.

## 20. Information on environmental and labour-law activities

For the second year running, the Fund has been certified according to the Austrian Das Österreichische Umweltzeichen (in the area of sustainable investment products, so-called uZ 49), which is issued by the Austrian Ministry of Climate Protection, Environment, Energy, Mobility, Innovation and Technology (Das Bundesministerium für Klimaschutz, Umwelt, Energie, Mobilität, Innovation und Technologie). This certification confirms a friendly approach to the environment and at the same time the fulfilment of basic criteria of social responsibility. Overall, it covers an area known worldwide as ESG (E = Environmental, S = Social and G = Governance).

In 2022, the Fund began preparatory work on the installation of rooftop photovoltaic power plants on the buildings of the sister fund, thereby strengthening the ESG aspect of both funds, particularly with an emphasis on environmental protection through the installation of renewable sources.

The Fund, Sub-Fund and its underlying assets pursue sustainable investment objectives in accordance with the SFDR and Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council. Information on sustainable investing is available in the Appendix of this Annual Report in the format of the completed V. RTS template.

## 21. Information on whether the accounting entity has an organizational unit abroad

The Fund does not have an organizational unit abroad.

## 22. Fund's capital of the Sub-Fund

Fund's capital as at k 31 December 2022

Fund's capital:	CZK 1,226,143 thousand
Number of issued growth EUR class investment shares	178,704,759 pcs.
Number of issued dividend EUR class investment shares	1,546,988 pcs.
Number of issued growth CZK class investment shares	406,588,100 pcs.
Number of issued dividend CZK class investment shares	6,793,761 pcs.
Fund's capital per 1 growth share of the EUR class	EUR 0.1535 (CZK 3.7009)
Fund's capital per 1 EUR class dividend share	EUR 0.1444 (CZK 3.4812)
Fund's capital per 1 CZK class growth share	CZK 1.3545
Fund's capital per 1 dividend share of CZK class	CZK 1.2733

In accordance with the Act on Accounting, this Annual Report also includes the Financial Statements, the Audit Report and the Report on Relations between Related Parties.

In Prague, 28 April 2023



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Martin Dratva

Authorized Representative of the sole  
member of the Management Board



# Financial Statements

## NOVA Green Energy – Sub-Fund 2





## Independent Auditor's Report

To the shareholders of sub-fund NOVA Green Energy – podfond 2 of fund NOVA Green Energy, SICAV, a.s.

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### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of sub-fund NOVA Green Energy – podfond 2 of fund NOVA Green Energy, SICAV, a.s., with its registered office at Na příkopě 854/14, Nové Město, Praha 1 (the “Sub-fund”) as at 31 December 2022 and of the Sub-fund's financial performance for the period from 28 March 2022 to 31 December 2022 in accordance with Czech accounting legislation.

### What we have audited

The Sub-fund's financial statements comprise:

- the balance sheet as at 31 December 2022,
- the income statement for the period from 28 March 2022 to 31 December 2022, and
- the notes to the financial statements including significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the “Audit regulations”). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Sub-fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

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### Other information

The statutory body of REDSIDE investiční společnost, a.s. is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Sub-fund obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

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T: +420 251 151 111, [www.pwc.com/cz](http://www.pwc.com/cz)

PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with the applicable legal requirements.

In addition, in the light of the knowledge and understanding of the Sub-fund and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

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### Responsibilities of the statutory body of REDSIDE investiční společnost, a.s. for the financial statements

The statutory body of REDSIDE investiční společnost, a.s. is responsible for the preparation of the financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body of REDSIDE investiční společnost, a.s. is responsible for assessing the Sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body of REDSIDE investiční společnost, a.s. either intends to liquidate the Sub-fund or to cease operations, or has no realistic alternative but to do so.

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

As part of an audit in accordance with the Audit regulations, 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 REDSIDE investiční společnost, a.s. internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body of REDSIDE investiční společnost, a.s.



- Conclude on the appropriateness of the statutory body's of REDSIDE investiční společnost, a.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 Sub-fund'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 Sub-fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the statutory body of REDSIDE investiční společnost, a.s. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

28 April 2023

PricewaterhouseCoopers Audit, s.r.o.  
represented by Director

A handwritten signature in blue ink that reads 'Jakub Kolář'.

Jakub Kolář  
Statutory Auditor, Licence No. 2280



## NOVA Green Energy – podfond 2

### Financial statements for the year ended 31 December 2022

Company Identification No.: 751 63 268

Business activity: the activity of an investment company

Date of preparation of the financial statements: 28 April 2023

#### BALANCE SHEET

As at 31 December 2022

In thousands of CZK	Note	31.12.2022
<b>ASSETS</b>		
3 Due from banks – repayable on demand	14	91,665
4 Due from customers – other receivables	15	864,627
8 Equity investments with controlling influence	16	287,255
Other assets		2,504
Prepaid expenses		1
<b>Total assets</b>		<b>1,246,052</b>
<b>LIABILITIES</b>		
Due to non-bank institutions – other liabilities		14,838
4 Other liabilities	17	5,072
6 Provisions for taxes	18	-
7 Subordinated liabilities – net assets attributable to holders of investment shares	19	1,226,142
<b>Total liabilities</b>		<b>1,246,052</b>
<b>OFF-BALANCE SHEET ITEMS</b>		
8 Assets under management	22	1,226,142

## INCOME STATEMENT

For the period from 28 March 2022 to 31 December 2022

In thousands of CZK	Note	28.3.2022 - 31.12.2022
Income from shares and interests	13	55,000
2 Interest and similar expenses	9	(372)
5 Fee and commission expense		(19)
6 Gain or loss from financial operations	10	(27,928)
Other operating income	12	27,951
Other operating expense		-
9 Administrative expense – other	11	(13,538)
<b>19 Profit before tax</b>		<b>41,094</b>
23 Income tax	21	(2,496)
<b>Increase or decrease in net assets attributable to holders of investment shares from operations after tax</b>		<b>38,598</b>

The accompanying notes set out on the following pages form part of these financial statements.

## 1. General information

### Establishment and characteristics of the Sub-Fund

NOVA Green Energy – Sub-Fund 2 (hereinafter the “Sub-Fund”) is managed and administered by REDSIDE investiční společnost, a.s. (hereinafter the “Investment Company” or the “Company”).

The Sub-Fund was set-up in accordance with Act No. 240/2013 Coll. (the “Act”), on Investment Companies and Investment Funds. In particular, sub-funds are covered by Section 165 of the Act on Investment Companies and Investment Funds, where NOVA Green Energy, SICAV, a.s., may create sub-funds provided that the Articles of Association allow this. The Sub-Fund has its own investment strategy.

The Sub-Fund has no legal personality, has no employees and is established for an indefinite period. The depositary of the Sub-Fund is UniCredit Bank Czech Republic and Slovakia, a.s.

With effect from 1 August 2022, the member of the Board of Directors and the manager of Sub-Fund 1, in accordance with the announced “Side-pocket” plan described in detail on the website of the Sub-Fund, decided to dissolve Sub-Fund 1 with liquidation, analogously to Section 375 (a) AMCIF. As part of the implementation of the „Side-pocket” project, a new Sub-Fund 2 was established, to which Sub-Fund 1 is gradually transferring part of its assets. As consideration for the assets transferred, Sub-Fund 2 issues investment shares in favour of Sub-Fund 1. Thus, Sub-Fund 1 gradually ends its investment activities.

The Sub-Fund’s investment objective is the sustained appreciation of funds invested by the Sub-Fund’s shareholders, especially on the basis of direct or indirect investments in new projects and the development of business plans. The projects focus mainly on the energy sector, and in particular on the segment of small and medium-sized enterprises dealing with the production of electrical or thermal energy mainly from renewable sources (photovoltaics, wind and hydropower, biomass, biogas stations and others). Investment income is mainly provided by interest from loans provided to given project companies owned by the Sub-Fund and by a share in the profit of the project and business plan.

### Sub-Fund strategy

The objective of the Sub-Fund is the performance of active asset management in relation to the assets of the Sub-Fund. The fund selects investments from the segment of companies engaged in the production of electricity from renewable energy sources (photovoltaics, wind and hydropower, biomass, biogas stations and others). As an additional type of investment, the Sub-Fund can invest using investment instruments from both the domestic financial market and foreign financial markets. Alternatively, invest in other alternative investment funds operating in the energy segment of renewable energy sources.

### Investment shares as at 31 December 2022

Two types of investment shares are issued to the Sub-Fund: growth investment shares and dividend investment shares. Investment shares issued to the Sub-Fund carry the right to a share in the operating profit of the Sub-Fund in the case of a dividend investment share and in the liquidation balance in the event of the dissolution of the Sub-Fund with liquidation, in the case of both types of investment shares.

The Sub-Fund issues investment shares under four ISINs. All shares are registered in book-entry form without nominal value and with limited transferability. The tradable unit is a currency unit (CZK or EUR). Overview of the ISIN of the Sub-Fund:

**ISIN CZ0008048501** (NGE SICAV RŮST.CZK), issue of investment shares commenced on 28 June 2022. As at 31 December 2022, 406,588,100 pcs were subscribed.

**ISIN CZ0008048519** (NGE SICAV DIV.CZK), issue of investment shares commenced on 28 June 2022. As at 31 December 2022, 6,793,761 pcs were subscribed.

**ISIN CZ0008048527** (NGE SICAV RŮST.EUR), issue of investment shares commenced on 28 June 2022. As at 31 December 2022, 178,704,759 pcs were subscribed.

**ISIN CZ0008048535** (NGE SICAV DIV.EUR), issue of investment shares commenced on 28 June 2022. As at 31 December 2022, 1,546,988 pcs were subscribed.

### Organizational structure

The Sub-Fund is managed by the Investment Company.

### Key information of the Investment Company

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362. Its business activity is activity of Investment Company under the Act.

### Registered capital of the Investment Company

CZK 8,400,000; fully paid.

### Date of establishment of the Investment Company

29 June 2012

### Decision on licence for operations of the Investment Company

Decision of the CNB ref. No. 2013/5063/570 dated 29 April 2013.

The Investment Company is registered in the list of investment companies maintained by the ČNB pursuant to Section 596 (a) of the Act.

### The activities of the Investment Company in relation to the Sub-Fund:

- management of the Sub-Fund's assets,
- asset management of the Sub-Fund, including investing on the Sub-Fund's account,
- investment risk management,
- administration of the Sub-Fund, in particular:
  - bookkeeping for the Sub-Fund,
  - providing legal services,
  - compliance,
  - dealing with complaints from Sub-Fund investors,
  - valuation of the Sub-Fund's assets and liabilities,
  - calculation of the current value of the investment shares of the Sub-Fund,
  - ensuring compliance with duties, taxes, or other similar financial obligations,
  - maintaining a list of owners of investment shares issued by the Sub-Fund,
  - distributing and paying out proceeds from the Sub-Fund's assets,
  - ensuring the issue and repurchase of investment shares issued by the Sub-Fund,
  - preparing and updating the Sub-Fund's annual report,
  - preparing the Fund's promotional material,
  - publishing, disclosing, and supplying data and documents to Sub-Fund's shareholders and other persons,
  - reporting data and providing documents to the Czech National Bank or the supervisory authority of another Member State,
  - performing other activities related to the management of the Sub-Fund's assets,
  - distributing and paying out cash benefits due liquidation of the Sub-Fund,
  - keeping records on the issue and repurchase of investment shares issued by the Sub-Fund,
  - offering investments in the Sub-Fund.

### According to the Commercial Register, the Board of Directors is the sole body of the Fund as at 31 December 2022.

<b>Member of the Board of Directors</b>	<b>REDSIDE investiční společnost, a.s.</b>
Function represented by	Martin Dratva from 2 September 2022

### Company representation

A sole member of the Board of Directors acts independently on behalf of the Fund as a joint stock company with a variable share capital. An authorized representative acts independently in all matters as the sole member of the Board of Directors and thus on behalf of Fond NOVA Green Energy, SICAV, a.s.

### Shareholders and shares

As at 31 December 2022 the sole shareholder was:

- REDSIDE investiční společnost, a.s., identification No.: 242 44 601, 100.00 %  
Prague 1, V Celnici 1031/4, postcode 110 00

### Changes in the Commercial Register

In 2022, the following changes were entered into the Commercial Register:

On 1 May 2022, the appointment of a member of the Board of Directors of Martin Dratva acting on behalf of the sole Management Board member - REDSIDE investiční společnost, a.s. commenced. Martin Dratva thus became an independently authorized representative of the sole member of the Management Board on 2 September.

On 1 February 2023, the registered office at Prague 1 – Nové Město, V Celnici 1031/4, postcode 11000 was deleted and the new registered office at Na příkopě 854/14, Nové Město, 110 00 Prague 1 was registered.

## 2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements containing the balance sheet, statement of profit and loss and accompanying notes were prepared on the basis of the accounting records kept in accordance with:

- the Accounting Act No. 563/1991 Coll.,
- Decree 501/2002 Coll. issued by the Ministry of Finance of the Czech Republic,
- Czech Accounting Standards for financial institutions issued by the Ministry of Finance of the Czech Republic.

The presentation of financial statements items and the content definition of items are in accordance with Decree No. 501/2002 Coll., with the exception of the presentation of fund capital and its changes in the accounting period in accordance with IFRS, as described in the chapter 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN THE APPLICATION OF ACCOUNTING POLICIES.

The financial statements have been prepared on an accrual basis of accounting and historical cost, with the exception of selected financial instruments measured at fair value recognized in profit or loss ("FVTPL").

The financial statements of the Fund have been prepared on the going concern assumption, as there is no fact that would restrict or prevent the Fund from continuing its activities in the foreseeable future.

These financial statements are unconsolidated and at the same time there are no other financial statements prepared by the Fund. All monetary amounts in the financial statements are stated in CZK thousands, unless stated otherwise.

Balance sheet date: 31 December 2022

Date of preparation of financial statements: 28 April 2023

Accounting period: 28 March 2022 to 31 December 2022

Previous accounting period: the Sub-Fund does not report

This annual financial statement is prepared for the period from the establishment of the Sub-Fund, i.e. from 28 March 2022 to 31 December 2022. For this reason, the Sub-Fund does not disclose data for the previous period.

All monetary amounts in the financial statements are stated in CZK thousands, unless stated otherwise.

## 3. SIGNIFICANT ACCOUNTING METHODS

The financial statements of the Sub-Fund have been prepared in accordance with the following significant accounting methods:

### (a) The date of transaction recognition

Depending on the type, the transactions are recorded on the date of purchase or sale of foreign currency or security, the payment date, the trade, or settlement date of a transactions with securities, foreign exchange, options or other derivatives, the date of issue or acceptance of the guarantee or the loan commitment, the day of taking over of values into custody.

### (b) Financial instruments

#### a. Financial instruments – valuation

Fair value is the price that would be received if an asset would be sold or paid to settle a liability in an orderly transaction between market participants at the measurement date. The best proof of fair value is an active market price. An active market is one in which transactions with assets or liabilities are carried out in sufficient frequency and volume to provide information about prices on an ongoing basis. The fair value of financial instruments traded on an active market is measured as the product of the quoted price for the individual asset or liability and the amount held by the entity. This is the case even if the normal daily trading volume on the market is not able to absorb the quantity held and entering a sale of the entire position held in a single transaction could affect the quoted price.

Valuation techniques, such as discounted cash flow models or models based on recent market transactions, or an assessment of investment financial data are used to determine the fair value of certain financial instruments for which external market price information is not available. Fair value measurement is analysed based on the fair value hierarchy as follows: (i) Level 1 is a valuation based on quoted prices from active markets for identical assets or liabilities; (ii) Level 2 is a valuation technique with all significant inputs for the asset or liability valuation obtained from observable market, either directly (i.e., from price) or indirectly (i.e., derived from prices), and (iii) Level 3 valuations are valuations that are not based solely on observable market data (i.e., the valuation requires significant unobservable inputs and estimates). Transfers between levels of fair values are assumed to have occurred at the end of the reporting period.



Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. An incremental cost is an expense that would not have been incurred if the entity had not acquired, disposed of or issued the financial instrument. Transaction costs include fees and commissions to sales representatives, advisors, brokers and dealers, as well as fees to regulators and stock exchanges, transfer taxes and other fees. Transaction costs, on the other hand, do not include premiums or discounts, financing costs, internal administrative costs or holding costs.

Amortized cost ("AC") is the amount at which a financial instrument was measured on initial recognition after deducting all principal payments, plus accrued interest and, for financial assets, less any allowances for expected credit losses ("ECL"). Accrued interest includes amortization of transaction costs capitalized at initial recognition and accrued premium or discount, i.e., the difference between the initial value and the value at maturity, amortized using the effective interest rate method. Accrued interest income and accrued interest expense, including accrued coupon and amortized discount or premium (including any capitalized accrued charges), are not reported separately and are included in the carrying amount of related items in the financial statements.

The effective interest rate method is a method of allocating interest income or interest expense over a relevant period so as to achieve a constant periodic interest rate (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

The effective interest rate discounts the cash flows of variable interest instruments at the next interest refixing date, except for a premium or discount that reflects the credit spread above the floating interest rate specified in the instrument or other variables that are not adjusted to market rates. Such premiums or discounts are amortized over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

#### **b. Financial instruments – initial recognition**

Financial instruments carried at fair value in the FVTPL category are initially recognized at fair value. All other financial instruments are initially recognized at fair value adjusted for transaction costs. The fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is recognized only if there is a difference between the fair value and the transaction price that is evidenced by other observable market transactions of the same instrument or by a valuation technique whose inputs include only observable market data. After the initial recognition of a financial instrument, the expected credit loss for financial assets valued in category AC is calculated and reported, resulting in an immediate accounting loss.

IFRS initially recognizes financial instruments on the trade date or on the trade settlement date at initial recognition. An entity may use the same method consistently for purchases and sales of financial instruments classified in the same valuation category. All purchases and sales of financial assets that require delivery within the timeframe set by regulation or market convention (regular delivery purchases) are recognized on the trade date, i.e., the date on which the Sub-Fund commits to purchase or sell the financial asset. All other purchases are reported as soon as the trades are settled. Spot operations are operations of buying and selling financial assets with a usual delivery date. Transactions with a longer than usual delivery date are accounted for as financial derivatives.

#### **c. Financial instruments - classification and subsequent valuation - valuation categories**

The Sub-Fund classifies financial assets in the following valuation categories: FVTPL. The classification and subsequent valuation of debt financial assets depends on: i) the Sub-Fund's business model for managing the portfolio of related assets and ii) the characteristics of the contractual cash flows of the asset.

#### **d. Financial instruments - classification and subsequent valuation – business model**

The business model reflects the way in which the Sub-Fund manages assets for the purpose of generating cash flows - whether the Sub-Fund aims to: i) only collect contractual cash flows from assets ("holding to obtain contractual cash flows") or ii) collect both contractual cash flows and cash flows arising from the sale of assets ("holding to obtain contractual cash flows and sell"), or if neither (i) and (ii) apply, financial assets are classified as part of a "different" business model and valued in the FVTPL category.

The business model is designed for a group of assets (at the portfolio level) based on all relevant evidence of the activities, that the Sub-Fund undergoes to achieve the target set for the portfolio available on the valuation date. Information on the critical judgments that the Sub-Fund uses in determining the business models of its financial assets is provided in Note 4.

#### **e. Financial instruments - classification and subsequent valuation – cash flow characteristics**

In the case of the "held in order to collect contractual cash flows" or "held in order to collect contractual cash flows and sell" business models, the Sub-Fund assesses, whether these cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered for these purposes as a whole.

If the contractual terms give rise to exposure to risk or volatility, the financial asset is classified and measured within the FVTPL. The SPPI is measured at the initial recognition of the asset and is not reassessed subsequently.

**f. Financial instrument – reclassification**

Financial instruments are only reclassified when the business model for portfolio management as a whole changes. The reclassification has a prospective effect and is applied from the beginning of the first reporting period, following the change in the business model. The entity has not changed its business model and has not made any reclassifications during the current period.

**g. Financial assets – depreciation**

Financial assets are fully or partially depreciated when the Sub-Fund has exhausted all practical means of recovery and has come to the conclusion that there is no reasonable expectation that the outstanding claim will be recovered. Depreciation represents the moment of derecognition.

**h. Financial assets – derecognition**

The Sub-Fund derecognises financial assets if (a) the assets are repaid or the cash flow rights from the assets have otherwise expired, or (b) the Sub-Fund has transferred rights from the cash flows from the financial assets or entered into an asset transfer agreement where (i) substantially all the risks and rewards of ownership of the asset have been transferred to the counterparty, or (ii) substantially all the risks and rewards of ownership have not been transferred but the Sub-Fund has not retained control due to the asset transfer agreement. Control is maintained if the counterparty to such an agreement has no real ability to sell the asset in its entirety to a third party without restricting the sale by any limitations.

**i. Financial liabilities – measurement categories**

Financial liabilities are valued in category AC, except for financial liabilities in category FVTPL: this classification applies to derivatives, financial liabilities held for trading (e.g., short positions in securities) and other financial liabilities that were classified as such at initial recognition.

**j. Financial liabilities – derecognition**

Financial liabilities are derecognised at the time of termination (i.e., when the obligation specified in the contract is terminated, cancelled or expires).

Changes in liabilities that do not result in their termination are accounted for as a change in the estimate using the cumulative adjustment method with a gain or loss recognized in profit or loss on a one-off basis.

**k. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at banks and other short-term investments in an active market with maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position. Cash and cash equivalents in accordance with the business model are compulsorily classified as FVTPL.

**l. Receivables due from customers**

Receivables from customers consist of provided loans. These receivables meet the definition of a debt financial instrument in accordance with IFRS and as such are compulsorily classified as FVTPL in accordance with the Sub-Fund's business model. Interest income is recognized on an accrual basis using the linear method in the income statement on the line "Gain or loss from financial operations".

**m. Equity interest with controlling influence**

The controlling interests constitute the only kind of equity interests of the Sub-Fund.

Equity interests with controlling influence mean interests in a subsidiary in which the Sub-Fund, de facto or legally, directly or indirectly exercises controlling influence over its management or operations. Controlling influence is the ability of the Sub-Fund to manage the financial and operational policies of another company, thereby benefiting from its activities.

The Sub-Fund exercises controlling influence whenever it meets at least one of the following conditions:

- (a) It is a majority shareholder, or
- (b) it has a majority of voting rights on the basis of an agreement entered into with another shareholder or shareholders, or
- (c) it may enforce the appointment, election or dismissal of a majority of persons, who are a statutory body or its member, or a majority of the persons, who are members of the supervisory body of the legal entity of which it is a shareholder.

In accordance with the classification of the Sub-Fund as an investment unit in accordance with IFRS 10, participating interests are compulsorily reported in the FVTPL. Income from any dividends received is recognized on the date on which the right to receive payment is established in the income statement on the line "Income from shares".

**n. Liabilities due to banks**

Liabilities to banks consist of drawn loans from banks domiciled in the Czech Republic. The Sub-Fund measures and classifies these liabilities in the AC (amortized cost) category, with the book (amortized) value being considered the best approximation of the fair value. Interest expenses are recognized on an accrual basis using the straight-line method in the income statement on the line "Interest and similar expense".

#### **o. Investment shares**

The Fund issued the following types of investment shares to the Sub-Fund:

- (a) "Dividend investment share A" issued for the sub-fund NOVA Green Energy – Sub-Fund 2 is share with special rights, whereby all issued dividend investment shares A form one class. Dividend investment shares A were issued as a book-entry securities.
- (b) "Growth investment share A" issued for the sub-fund NOVA Green Energy – Sub-Fund 2 is a share with special rights, whereby all issued growth investment A shares form one class. The growth investment shares A were issued as a book-entry securities. The growth investment shares A do not carry a right to receive a share of the profit, while the value of the unpaid profit is reflected in the current value of growth investment share A. The rate of growth of the performance of both types of investment shares A, i.e. dividend and growth investment shares A, is identical and equal.

Investment shares can be issued in various currency classes, in particular as Czech crown (CZK class) and euro (EUR class). The currency class of the share means that the issue price of such shares is redeemed in the relevant currency in which the investment share is issued, and all performance by the Sub-Fund (profit share, amount for which the share is repurchased, etc.) is paid in the relevant currency, in which the investment share is issued.

Based on the above, the investment shares issued by the Sub-Fund meet the conditions for qualification as a financial liability under IAS 32. For this reason, the values belonging to the shareholders, i.e., the Sub-Fund's fund capital, are presented in the balance sheet as a liability under "Net assets attributable to holders of investment shares" item. The item of the profit and loss statement "Increase or decrease in net assets attributable to holders of investment shares from operations after tax" represents the change in the value of fund capital for the accounting period from current activities.

Investment shares are reported in the amount paid for the purchase of investment shares, which is due on the balance sheet date, if the holder exercises the right to return the investment share back to the Fund.

Investment shares are issued and redeemed at the fair value of the net assets attributable to these investment shares on the last day of the month preceding the month in which the Investment Company received the request to issue or redeem the investment shares. The value of the net assets per investment share is calculated by dividing the net assets attributable to holders of investment shares for each class and type of investment share by the total number of outstanding investment shares of each type and class.

Advances received for investment shares are recognized at a value corresponding to the amount received.

#### **(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### **(d) Foreign currency translation**

##### **Currency**

The financial statements are stated in Czech crowns (CZK).

##### **Foreign currency translation**

Transactions denominated in foreign currency are recognised in local currency, translated at the exchange rate announced by the Czech National Bank on the date of the transaction or on the date of the accounting event.

Foreign exchange gains and losses are included in the income statement together with the revaluation to fair value.

#### **(e) Value added tax**

The Sub-Fund is not a registered Value Added Tax ("VAT") payer. Tangible and intangible fixed assets and inventories are valued at cost, including VAT. The Sub-fund is registered for VAT as an identified person.

## (f) Taxation

### Current tax

The tax base for income tax is calculated from the profit before tax for the current period by adding non-deductible expenses, deducting tax-free income and adjusting for tax rebates and possible credits.

### Deferred tax

Deferred tax is calculated from all temporary differences between the carrying amount and the tax value of assets and liabilities using the expected tax rate applicable for the subsequent period. Deferred tax on revaluation reserve in equity is also recognized as part of the revaluation reserve in equity. A deferred tax asset is recognised only if there is a probability to use it in subsequent accounting periods.

## (g) Creation of provisions

Provision represents probable fulfilment of an obligation, with uncertain timing and amount. The provision is charged to the expenses at the best estimate of the resource outflow necessary to settle the existing obligation.

**A provision is created if the following criteria are met:**

- a) There is an obligation (legal or constructive) to fulfil as a result of past events,
- b) It is probable or certain that the fulfilment will occur and that it will require an outflow of resources representing economic benefits; where "probable" means a probability of more than 50%,
- c) The amount of such fulfilment can be reliably estimated.

## (h) Related parties

A party is related to the Sub-Fund when the following conditions are met

- a) the party
  - (i) controls or jointly controls the Sub-Fund;
  - (ii) has significant influence in the Sub-Fund; or
  - (iii) is a member of the key management of the Sub-Fund.
- b) the party is an affiliate company of the Sub-Fund
- c) the party is a joint venture in which the Sub-Fund is a co-owner
- d) the party is a member of the key management of the Sub-Fund or its Investment Company
- e) the party is a close member of the family of an individual defined under a) or d)
- f) the party is an accounting entity that is controlled, jointly controlled or it is under a direct or indirect significant influence of any individual under d) or e) or such an individual has significant voting rights in that party, directly or indirectly; or
- g) the party is a post-employment benefit plan for employees of the accounting entity that is related to the Sub-Fund.

Related party transactions mean the transfer of resources, services or obligations between the Sub-Fund and the related party, regardless of whether any price is charged.

## (i) Items from a different accounting period and changes in accounting methods

Items from a different accounting period, than that to which they are attributable for accounting purposes, and changes in accounting methods are recognized as income or expense in the income statement of the current period, except for correction of fundamental errors in the income and expenses of previous periods that are recognized in the item "Retained earnings from previous periods" in the Sub-Fund's balance sheet (recognised within the item „Net assets attributable to holders of investment shares“).

## 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

### Fair value

The fair value used for the valuation of securities is determined as the market price announced on the date of determination of the fair value, if the entity proves that the security can be sold at the market price. In the case of publicly traded debt securities and equity securities, the fair values are equal to the prices achieved on the public market of OECD countries, provided that the liquidity requirements of the securities are also met. If it is not possible to determine the fair value as the market price (e.g., the entity does not demonstrate that the security can be sold at the market price), then the fair value is determined as the adjusted value of the security.

The adjusted value of the security may be equal to:

- the degree of participation in the equity of the joint-stock company in the case of shares,
- the degree of participation in the equity of the mutual fund in the case of share certificates,
- the present value of the future cash flows of the security in the case of debt securities.

## Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the year-end date. The Sub-Fund utilises the last traded market price for both financial assets and financial liabilities. If a significant movement in fair value occurs subsequent to the closure of trading, valuation techniques will be applied to determine the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Sub-Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year-end date. Valuation techniques used for non-standardised financial instruments include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Sub-Fund uses the valuations performed by an independent certified valuation expert, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted securities, receivables and other financial instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a valuation is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Sub-Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value of cash and cash equivalents is assumed to approximate fair value.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy in which the fair value measurement is classified is determined based on the lowest level inputs that are significant to the fair value measurement. For this purpose, the significance of the input is assessed on the basis of its significance for determining total fair value. If fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs measurement is a Level 3 valuation. Assessing the significance of a particular input for fair value measurement requires full judgment about the factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.



The following table analyses, within the fair value hierarchy, the Sub-Fund's assets and liabilities (by class) measured at fair value as at 31 December 2022.

In thousands of CZK	Level	Fair value as at 28.3.2022	Consideration received/ Loans granted/ Acquired equity interests	Reimbursement paid/ Repaid loans / Equity interests sold	Revaluation reserve in Gain or loss from financial operations	Balance as at 31.12.2022
<b>Financial assets at fair value through profit or loss</b>						
Receivables due from banks	2	-	455,421	(363,302)	(454)	91,665
Receivables due from customers	3		1,010,107	(134,049)	(11,431)	864,627
Equity interests with controlling influence	3	-	319,463	-	(32,208)	287,255

Revaluation to fair value is unrealized.

Investments classified within Level 3 have significant unobservable inputs, as they are traded infrequently or are not traded at all. Level 3 instruments include private equity and subordinated loans granted. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value.

The valuation technique, inputs used in the fair value measurement for level 3 measurements and related sensitivity to reasonably possible changes in those inputs are as follows:

#### Lever 3 financial assets at fair value through profit or loss as at 31 December 2022

In thousands of CZK	Fair value	Valuation technique	Used inputs	Input range (weighted average)	Reasonable change	Sensitivity of fair value measurement
Receivables due from customers	864,627	Discounted cash flows ("DCF")	Discount rate	7.97 % – 9.47 % (8.87 %)	± 0.5 %	5,016 -46,373
Equity securities	287 255	Discounted cash flows ("DCF")	Green energy price	165-687 EUR/MWh (375 EUR/MWh)	± 1 %	-8,079 +8,127
			Energy production	856 – 1,208 MWh/MW (1,080 MWh/MW)	± 5 %	-40,393 +40,393
			Risk free rate	0.61 % – 2.18 % (1.73 %)	± 0.5 %	8,537 -8,368
			Risk premium	4.47 % (4.47 %)	± 1 %	15,409 -14,903

The level of the estimated minimum and maximum considered liquidity values according to the scenarios. For receivables not valued using the scenario method, a change in their liquidity is not considered.

The table above shows the sensitivity of financial assets to valuation inputs if a change in one of the inputs, reflecting possible alternative assumptions, would significantly change the fair value. For this purpose, materiality in terms of impact on profit or loss was assessed.

The sensitivity of the fair value measurement described in the table above shows the direction in which an increase or decrease in the relevant input variables would have an impact on the valuation result.

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN THE APPLICATION OF ACCOUNTING POLICIES

**Fair value of financial instruments.** Information on the fair values of financial instruments measured using assumptions, that are not based solely on observable market data, is provided in the note "Financial risk factors" and the accounting policy "Financial instruments". The Sub-Fund makes estimates and assumptions that affect the amounts reported in the financial statements and the carrying amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on the Sub-Fund's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Sub-Fund also makes certain judgments in the process of applying the accounting rules. The judgments that have the most significant effect on the amounts recognized in the financial statements and the estimates, that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are set out in the following note "Financial risk factors", section "Estimated fair value".

**Business Model Assessment.** The portfolio of financial assets is managed, and performance is evaluated on the basis of fair values. The Sub-Fund focuses primarily on fair value information and uses this information to assess asset performance and make decisions. The contractual cash flows of the Sub-Fund's receivables consist only of principal and interest, but these debt instruments are classified neither as held for the purpose of collecting contractual cash flows nor as held for the purpose of collecting cash flows and held for sale. The collection of contractual cash flows is secondary to the achievement of the objectives of the Sub-Fund's business model. According to this, the Sub-Fund classifies its business model as "Fair Value Management" (this is the "Other Business Models" category under IFRS 9) and therefore reports its financial assets at fair value through profit or loss (FVTPL).

**Assessment of the Sub-Fund as an investment entity.** In accordance with IFRS 10, paragraph 28, an entity is classified as an investment entity if it meets the following conditions:

- obtains funds from one or more investors in order to provide investment management services to those investors;
- undertakes to its investors that its business purpose is to invest funds solely for the purpose of realizing capital gains, investment income or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Sub-Fund meets these conditions and is thus classified as an investment entity in accordance with IFRS 10. Investments in the Sub-Fund's subsidiaries are thus mandatorily reported in the FVTPL category in accordance with the requirements of IFRS 10.

**Presentation of fund capital.** Investment shares issued by the Sub-Fund meet the conditions for the definition of financial liabilities under IAS 32. For this reason, the amounts belonging to the shareholders, i.e., the Sub-Fund's fund capital, are presented in the balance sheet under item "7. Subordinated liabilities" as "Net assets attributable to holders of investment shares", "where the item of the profit and loss account "Increase or decrease in net assets attributable to holders of investment shares from operations after tax" represents the change in the value of the fund's capital during the accounting period from ordinary activities.

Reporting of fund capital within the balance sheet item "Net assets attributable to investment shares", resp. its revaluation under profit or loss item "Increase or decrease in net assets attributable to holders of investment shares from operations after tax" is in accordance with IFRS and constitutes a departure from the layout and presentation of the balance sheet and profit and loss account items defined by the implementing regulation (Annex No. 1 to Decree No. 501/2002 Coll.), which is necessary to provide a true and fair view of the accounting entity.

## 6. FINANCIAL RISK FACTORS

Due to its activities, the Sub-Fund is exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Sub-Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Sub-Fund is exposed and seeks to minimise potential adverse effects on the Sub-Fund's financial performance. The Sub-Fund's policy allows it to use derivative financial instruments to both mitigate and create certain risk exposures.

The management of these risks is carried out by the Investment Company under policies defined by the Statute of the Sub-Fund and approved by the Board of Directors. The Statute defines principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Sub-Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

The Sub-Fund is exposed to credit risk due to its business activity, lending, hedging and investment activities. Credit risks associated with the Sub-Fund's trading and investment activities are managed through the Sub-Fund's market risk management methods and instruments.

#### Collateral assessment

The existing receivables from loans to non-bank entities are not secured by any of the described types of collateral, due to the fact that the borrower is majority owned and controlled by one of the Sub-Funds of the NOVA Green Energy Fund, SICAV, a.s. The Sub-Fund then, as the controlling party, effectively controls any risks that might occur on the side of the borrower and lead to impairment of receivables.

#### Market risk

The Sub-Fund takes on exposure to market risks. Market risks arise from open positions in (a) currency, (b) interest rates and (c) equity shares, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted.

##### (a) Credit risk

The Sub-Fund is exposed to credit risk due to lending and investment activities.

In thousands of CZK	31.12.2022
<b>Loans granted</b>	
DMJ Management Solutions	136,893
Epsolar	6,952
Inmade	6,618
Tecoma Travel Agency	10,774
Energotrend Alfa	15,070
Jakub Solar	7,110
Nyires Solar	116,046
Csete Solar	179,420
Darvas Solar	175,897
Bardio Solar	74,326
PV-Projekt	56,098
CHILOE	79,320
FVE Orlice	103
<b>Total</b>	<b>864,627</b>

##### (b) Currency risk

The Sub-Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Czech crowns, its functional currency. Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. Foreign exchange exposure relating to non-monetary assets and liabilities is considered to be a component of market price risk, not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

## Foreign exchange position of the Sub-Fund

In thousands of CZK	EUR	CZK	Total
<b>As at 31 December 2022</b>			
Receivables due from banks – payable on demand	16,395	75,270	<b>91,665</b>
Receivables due from customers – other	849,454	15,173	<b>864,627</b>
Equity interests with controlling influence	96,263	190,992	<b>287,255</b>
Other assets	-	2,504	<b>2,504</b>
Deferred expenses	-	1	<b>1</b>
<b>Total assets</b>	<b>962,112</b>	<b>283,940</b>	<b>1,246,052</b>
Liabilities due to customers	14,838	-	<b>14,838</b>
Other liabilities	1,179	3,893	<b>5,072</b>
Tax provisions	-	-	-
Subordinated liabilities - Net assets attributable to holders of investment shares	645,725	580,417	<b>1,226,142</b>
<b>Total liabilities</b>	<b>661,742</b>	<b>584,310</b>	<b>1,246,052</b>
<b>Net foreign exchange position</b>	<b>300,370</b>	<b>(300,370)</b>	<b>-</b>

The table below summarises the sensitivity of the Sub-Fund's exposure to changes in exchange rates at 31 December. The analysis is based on the assumptions that the relevant foreign exchange rate increased/ decreased by the percentage disclosed in the table below, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates. The movement in value represents the impact on the profit and loss statement and at the same time on the net assets.

In thousands of CZK	31.12.2022	
	Reasonable rate shift	Value movement
Foreign exchange position in EUR	+/- 2.5 %	+/- 7,509

### (c) Interest rate risk

The Fund takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may occur.

The table below summarises the Fund's exposure to interest rate risks. The table presents the aggregated amounts of the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest change or maturity dates:

## Interest rate sensitivity of the Fund's assets and liabilities

In thousands of EUR	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-monetary	Total
<b>As at 31 December 2022</b>						
Receivables due from banks – payable on demand	91,665	-	-	-	-	91,665
Receivables due from customers - other	140,432	194,490	252,940	276,765	-	864,627
Equity interests with controlling influence	-	-	-	-	287,255	287,255
Other assets	-	2,504	-	-	-	2,504
Deferred expenses	1	-	-	-	-	1
<b>Total</b>	<b>232,098</b>	<b>196,994</b>	<b>252,940</b>	<b>276,765</b>	<b>287,255</b>	<b>1,246,052</b>
Liabilities due to customers	-	-	-	14,838	-	14,838
Other liabilities	4,607	465	-	-	-	5,072
Tax provisions	-	-	-	-	-	-
Subordinated liabilities - Net assets attributable to holders of investment shares	-	1,226,142	-	-	-	1,226,142
<b>Total</b>	<b>4,607</b>	<b>1,226,607</b>	<b>-</b>	<b>14,838</b>	<b>-</b>	<b>1,246,052</b>
<b>Gap</b>	<b>227,491</b>	<b>(1,029,613)</b>	<b>252,940</b>	<b>261,927</b>	<b>287,255</b>	<b>-</b>
<b>Cumulative Gap</b>	<b>227,491</b>	<b>(802,122)</b>	<b>(549,182)</b>	<b>(287,255)</b>	<b>-</b>	<b>-</b>

### (d) Other price risks and fund limits

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where equity securities are denominated in currencies other than the euro, the price initially expressed in foreign currency and then converted into euros will also fluctuate because of changes in foreign exchange rates. See Paragraph (a) 'Currency risk' above sets out how this component of price risk is managed and measured.

In terms of the risk of the assets type in which the Fund mainly invests, the Fund is an investment fund of qualified investors with a focus on direct or indirect investments in new projects and the development of business plans, especially in the energy sector. The investment activity of the Sub-Fund will further be focused on investment funds focused on energy from renewable energy sources within the markets of European countries.

### (e) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due. As at the date of the financial statements, this risk is not relevant for the Sub-Fund due to the fact that until mid-2023 the Fund is closed to the exit of investors within the so-called lock-up period. Even after this period has passed, liquidity management will be fully under the responsibility of the Sub-fund manager, as the vast majority of issued investment shares are held by the sister fund NOVA Green Energy – Sub-Fund 1.

## Residual maturity of the Sub-Fund's assets and liabilities

In thousands of CZK	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Not specified	Total
<b>As at 31 December 2022</b>						
Receivables due from banks – payable on demand	91,665	-	-	-	-	91,665
Receivables due from customers - other	140,432	194,490	252,940	276,765	-	864,627
Equity interests with controlling influence	-	-	-	-	287,255	287,255
Other assets	-	2,504	-	-	-	2,504
Deferred expenses	1	-	-	-	-	1
<b>Total</b>	<b>232,098</b>	<b>196,994</b>	<b>252,940</b>	<b>276,765</b>	<b>287,255</b>	<b>1,246,052</b>
Liabilities due to customers	-	-	-	14,838	-	14,838



Other liabilities	4,607	465				5,072
Tax provisions	-	-	-	-	-	-
Subordinated liabilities - Net assets attributable to holders of investment shares	-	1,226,142	-	-	-	1,226,142
<b>Total</b>	<b>4,607</b>	<b>1,226,607</b>		<b>14,838</b>	-	<b>1,246,052</b>
<b>Gap</b>	<b>227,491</b>	<b>(1,029,613)</b>	<b>252,940</b>	<b>261,927</b>	<b>287,255</b>	-
<b>Cumulative Gap</b>	<b>227,491</b>	<b>(802,122)</b>	<b>(549,182)</b>	<b>(287,255)</b>	-	-

### Capital risk management

The capital of the Sub-Fund is represented by the net assets attributable to holders of investment shares. The amount of net asset attributable to shareholders can change significantly on a monthly basis, as the Sub-Fund is subject to monthly subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from the Sub-Fund's performance. The Sub-Fund's objective when managing capital is to safeguard the Sub-Fund's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Sub-Fund.

In order to maintain the capital structure, the Sub-Fund's policy is to perform the following:

- Monitor the level of monthly subscriptions and redemptions relative to the assets it expects to be able to liquidate within redemption periods, which the Sub-Fund pays to investment shareholders.
- Redeem and issue new shares in accordance with the constitutional documents of the Sub-Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

Considering that until mid-2023, the Fund is closed to the exit of investors within the so-called lock-up period and even after the expiry of this period liquidity management will be fully under the responsibility of the Sub-Fund manager, since the vast majority of issued investment shares are held by the sister fund NOVA Green Energy – Sub-Fund 1, the capital risk is mitigated.

The Board of Directors, Investment Manager and Sub-Fund's depository monitor capital on the basis of the value of net assets attributable to individual qualified investors.

## 7. SEGMENT INFORMATION

The Sub-Fund is domiciled in the Czech Republic. All of the Sub-Fund's investments are located in the European Union. Management monitors its investments both as a whole portfolio and individually, by geographical distribution into the Czech Republic, Slovakia and Hungary. There were no changes in the division of segments during the reporting period.

The segment information is as follows:

### Income and expenses by segments for the period from 28 March 2022 to 31 December 2022

In thousands of CZK	Czech Republic	Slovak Republic	Hungary	Total
Income on shares and participations	55,000	-	-	55,000
Profit (+) or loss (-) from financial operations	(23,503)	(16,028)	11,602	(27,928)
- of which interest income	2,346	8,489	27,897	38,822
- of which revaluation to fair value	(40,101)	(19,197)	-	(59,298)
- of which exchange differences	14,252	(5,320)	(16,835)	(7,452)
<b>Total segment income/expense</b>	<b>31,497</b>	<b>(16,028)</b>	<b>11,602</b>	<b>27,072</b>

## Financial assets by segments as at 31 December 2022

In thousands of CZK	Fair value	31.12.2022 % of net assets
<b>Receivables due from banks</b>		
Czech Republic	91,665	7.37%
Slovak Republic	-	-
Hungary	-	-
<b>Total receivables due from banks</b>	<b>91,665</b>	<b>7.37%</b>
<b>Receivables due from customers</b>		
Czech Republic	94,493	7.60%
Slovak Republic	87,551	7.04%
Hungary	682,583	54.89%
<b>Total receivables due from customers</b>	<b>864,627</b>	<b>69.53%</b>
<b>Equity interests with controlling influence</b>		
Czech Republic	190,992	15.36%
Slovak Republic	96,263	7.74%
Hungary	-	-
<b>Total equity interests with controlling influence</b>	<b>287,255</b>	<b>23.10%</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>1,243,547</b>	<b>100%</b>

## 8. INTEREST INCOME

The Sub-Fund recognises interest income as part of the revaluation to fair value in the income statement in the line Gain or loss from financial operations, see Note 11 for further details.

## 9. INTEREST EXPENSE

For the period from 28 March 2022 to 31 December 2022, the Sub-Fund reports interest expense in the amount of CZK 372 thousand.

## 10. GAIN OR LOSS FROM FINANCIAL OPERATIONS

In thousands of CZK	28.3.2022 - 31.12.2022				
	interest income	exchange differences – realized	exchange differences – unrealized	revaluation to fair value	
Gain (+) or loss (-) from financial operations - loans granted	38,822	(311)	(20,740)	(29,202)	(11,431)
Gain (+) or loss (-) from financial operations - shares			(2,112)	(30,096)	(32,208)
Gain (+) or loss (-) from financial operations - investment shares issued			14,935		14,935
Gain (+) or loss (-) from financial operations - loans received			264		264
Gain (+) or loss (-) from other financial operations		512			512
<b>Total</b>	<b>38,822</b>	<b>201</b>	<b>(7,653)</b>	<b>(59,298)</b>	<b>(27,928)</b>

## 11. ADMINISTRATIVE EXPENSES

In thousands of CZK	28.3.2022 – 31.12.2022
Management of the Sub-Fund	10,568
Management fees	-
Depositary and custody fees	590
Audit, legal and tax advice fees	2,099
Other (expert opinions, translations, marketing)	281
<b>Total</b>	<b>13,538</b>

The Sub-Fund pays management fees to the Investment Company, which are calculated in accordance with the contract on the performance of the function of the statutory body. The fee is set at 1.6% p.a. of the Sub-Fund's equity annually plus 30% of the achieved appreciation in excess of 6%.

The Sub-Fund pays the depositary fees for the performance of the depositary's function in the amount of CZK 590 thousand.

## 12. OTHER OPERATING INCOME

In thousands of CZK	28.3.2022 – 31.12.2022
Income from assigned receivables	27,921

## 13. RELATED PARTY TRANSACTIONS

In thousands of CZK	31.12.2022
<b>Assets</b>	
Due from customers – receivables from subsidiaries	182,044
Equity interests with controlling influence	287,255
<b>Liabilities</b>	
Due to customers – payables from subsidiaries	14,838
<b>Income</b>	
Interest income from loans granted to entities with controlling influence	10,475
Income from shares and interests	55,000

## 14. DUE FROM BANKS

Cash and cash equivalents include only cash in banks, payable on demand. The Fund holds its money in UniCredit Bank Czech Republic and Slovakia, a.s., which achieves a BCA rating of Moody's Baa2 as at 31 December 2022 (Moody's LTD rating is A3).

In thousands of CZK	31.12.2022
Current accounts (nostro accounts)	91,665
<b>Net receivables due from banks</b>	<b>91,665</b>

## 15. DUE FROM CUSTOMERS

In thousands of CZK	31.12.2022
Receivables from loans granted	864,627
<b>Net receivables due from customers</b>	<b>864,627</b>

Loans are granted to subsidiaries at interest rate of 8-10% p.a. and are due between 2023-2036. The Company's management believes that the principal and accrued interest will be paid-out from the cash flows generated in the ordinary course of business of the subsidiaries in accordance with the loan agreements. In exceptional cases, the accrued interest was repaid or partially repaid.

Accrued interest is also due on the maturity date of the loans. According to the Act and the Statute, the Sub-Fund is required to perform revaluation of the Sub-Fund's assets and debts to fair value on an annual basis. Receivables are recognised at fair value at the balance sheet date.

## 16. EQUITY INTERESTS WITH CONTROLLING INFLUENCE

As at 31 December 2022

Company name	Share in equity	Acquisition cost	Revaluation to fair value
FTVE Green Energy 1	100%	10,364	(6,563)
FTVE Green Energy 2	100%	16,160	(6,667)
CES-SOLAR 33	100%	4,772	11,929
CES-SOLAR 42	100%	4,764	12,784
Jakub Solar	100%	161	2,268
PV-Projekt	100%	8,309	5,136
Epsolar	100%	136	316
Inmade	100%	180	2,035
Solaris One	100%	7,014	8,205
Tecoma Travel Agency	100%	180	4,078
HK-Promotion	100%	10,751	(128)
ENERGOTREND alfa	100%	49,115	(16,885)
CHILOE	100%	120,412	38,301
BTH Slovakia	100%	27	(1)
BGZ Slovakia	100%	27	(1)
BZQ Slovakia	100%	27	(1)
FVE Orlice	100%	50	-
<b>Total</b>		<b>232,449</b>	<b>54,806</b>

Under the Act and Statute, the Sub-Fund is required to revalue the Sub-Fund's assets at fair value on an annual basis.

## 17. OTHER LIABILITIES

In thousands of CZK	31.12.2022
Trade payables and other creditors	-
Estimated payables	5,072
Advances received	-

Loans received	14,838
<b>Total</b>	<b>19,910</b>

## 18. INCOME TAX PROVISIONS

In thousands of CZK	31.12.2022
Opening balance as at 28 March	-
Additions to provision in the amount of expected tax	2,496
Utilisation of tax provision	-
<b>Closing balance as at 31. 12.</b>	<b>2,496</b>

## 19. SUBORDINATED LIABILITIES – NET ASSETS ATTRIBUTABLE TO HOLDERS OF INVESTMENT SHARES

Sub-fund as at 31 December 2022 has no share capital. The Sub-Fund issues investment shares that meet the definition of a financial liability in accordance with IAS 32, paragraph 11 and the Sub-Fund reports them on the line "Subordinated liabilities - Net assets attributable to holders of investment shares".

Investment shares are issued as unit shares, i.e., shares that do not have a nominal value. The investment shares represent equal shares in the Sub-Fund's fund capital. The investment shares issued to the Sub-Fund are associated with the right to share in the profit only from the management of the Sub-Fund and in the liquidation balance only upon the termination of the Sub-Fund with liquidation. The investment shares issued to the Sub-Fund are associated with the rights that govern the Articles of Association of the Sub-Fund for individual types of investment shares. The investment share also has the right to repurchase it at the request of its owner. Investment shares expire upon redemption.

Overview of movements in net assets attributable to holders of investment shares as at 31 December 2022:

In thousands of CZK	Total
<b>Balance as at 28. 3. 2022</b>	<b>-</b>
<b>Income from issued investment shares</b>	<b>1,202,479</b>
<b>Expenditures on repurchased investment shares</b>	<b>-</b>
Exchange differences in other net assets attributable to holders of investment shares	(14,934)
Shareholders contributions	-
Increase or decrease in net assets attributable to holders of investment shares from operations after tax	38,598
<b>Balance as at 31.12.2022</b>	<b>1,226,143</b>

As at 31 December 2022, whereas Sub-Fund 2 having been authorized to operate on 28 March 2022, the number of investment shares issued, repurchased and outstanding was as follows:

in number of pcs	RUST. CZK	DIV. CZK	RUST EUR	DIV. EUR	Total
<b>28 March 2022</b>	-	-	-	-	-
Issued investment shares	406,588,100	6,793,761	178,704,759	1,546,988	593,633,608
Repurchased investment shares	-	-	-	-	-
<b>31 December 2022</b>	<b>406,588,100</b>	<b>6,793,761</b>	<b>178,704,759</b>	<b>1,546,988</b>	<b>593,633,608</b>

The net assets values (NAV) attributable to the Sub-Fund's investment share at the balance sheet date are as follows:

**Growth investment shares**

CZK 1.3545

EUR 0.1535 (CZK 3.7009)

**Dividend investment share**

CZK 1.2733

EUR 0.1444 (CZK 3.4812)

**20. RETAINED EARNINGS**

Profit for the accounting period of CZK 38,598 thousand is proposed to be transferred to the account Subordinated liabilities – net assets attributable to holders of investment shares, thereby increasing it.

**21. INCOME TAX AND DEFERRED TAX****(a) Current income tax****In thousands of CZK**

Profit (loss) before taxation	41,094
Tax base	49,913
<b>Tax calculated at the rate of 5%</b>	<b>2,496</b>

**(b) Deferred tax**

As at 31 December 2022, the Sub-Fund does not recognise a deferred tax liability.

**22. ASSETS UNDER MANAGEMENT**

<b>In thousands of CZK</b>	<b>31.12.2022</b>
Cash	91,665
Receivables due from customers	864,627
Equity securities	287,255
Other assets, prepaid expenses	2,505
Liabilities due from customers	(14,838)
Provision for income tax	-
Other liabilities	(5,072)
<b>Total</b>	<b>1,226,142</b>



### 23. SUBSEQUENT EVENTS

No other significant events have occurred between balance sheet date and the financial statements preparation date, that would have a material impact on the financial statements as at 31 December 2022.

The financial statements were prepared on:

28 April 2023

Stamp and signature of Statutory Body:



Martin Dratva  
Authorised Representative

Person responsible for accounting



Karel Krhovský  
CEO  
tel: 222 500 758

Person responsible for the financial statements



Šárka Burgetová  
Head of Finance  
tel: 222 500 758

## Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

### Product:

**NOVA Green Energy, SICAV, a.s. (hereinafter referred to as the "Fund"), ID number: 08789622.** The Fund is a fund of qualified investors. The Fund was established on 29 January 2013 for an indefinite period. With effect from 1 January 2020, the legal form of the Fund changed from an open-ended mutual fund to a joint-stock Company with a variable share capital. The Fund creates two sub-funds – Sub-fund 1 and Sub-fund 2. Sub-fund 1 went into liquidation on 1 August 2022.

**This template relates to the financial products of NOVA Green Energy – Podfond 2.**

In accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council (SFDR Taxonomy), on the disclosure of information related to sustainability in the financial services sector, the Fund states that it takes sustainability factors into account in its activities, primarily at the level of financial products that provides. The products provided in accordance with Article 9 of the Regulation directly follow the goal of sustainable investments, while striving to achieve it in accordance with the investment strategy mentioned above.

### SUSTAINABLE INVESTMENT OBJECTIVE

I. Does/did this financial product have a sustainable investment objective?<sup>1</sup>

YES

NO

II. It will make a minimum of sustainable investments with an environmental objective:

%

- In economic activities that qualify as environmentally sustainable under the EU Taxonomy<sup>2</sup>:

YES

NO

- In economic activities that do not qualify as environmentally sustainable under the EU Taxonomy:

YES

NO

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<sup>1</sup> Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

<sup>2</sup> The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

III. It will make a minimum of sustainable investments with a social objective

0.00 %

YES

NO



### What is the sustainable investment objective of this financial product?<sup>3</sup>

The fund aims to support environmental technologies through its investments in so-called green energy, thereby creating a positive impact on environmental sustainability. For this purpose, the management of the REDSIDE investiční společnost, a.s. has defined, through the statute of the Fund and its sub-funds, the following areas to which the Fund must primarily allocate its investments:

The investment objective of the Fund is the appreciation of funds invested by shareholders, especially on the basis of direct or indirect investments in projects and the development of business plans in the field of green energy. These investments are focused on the segment of businesses dealing with the production of electrical and thermal energy primarily from renewable energy sources (mainly photovoltaics, biomass, wind and hydropower and others).

The fund therefore invests in companies offering environmentally sustainable solutions in the field of renewable energy sources. The support and use of renewable energy sources contributes to the reduction of greenhouse gas emissions.

In order to achieve this goal, the Fund primarily invests in companies that meet the criteria of sustainable investment in their business. These companies have been categorized by the management company as ecologically and socially sustainable based on a predefined process, and in accordance with the statute and ESG policy in the area of risks related to sustainability sustainable companies.

Overall, the Fund contributes to varying degrees to the following objectives set out in Article 9 of the Taxonomy Regulation (EU) 2020/852:

- Mitigation of climate change
- Adaptation to climate change
- Prevention and control of pollution
- Protection and restoration of biodiversity and ecosystems

Compliance with the criteria for environmentally sustainable economic activities according to Article 3 of the Regulation establishing a framework for the facilitation of sustainable investments (EU) 2020/852 is ensured through the investment processes described above and below.

There is no benchmark that qualifies as an EU benchmark for climate-related economic transformation and EU benchmarks linked to the Paris Agreement within the meaning of Regulation (EU) 2016/1011.

No benchmark has been set for the purpose of achieving a sustainable investment objective. The fund aims to reduce carbon emissions through the production of electricity from renewable energy sources.

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<sup>3</sup> Sustainability indicators measure how the sustainable objectives of this financial product are attained.

The economic activity of companies in which the Fund invests continuously contributes to the reduction of global greenhouse gas emissions.

### To what extent was the sustainable investment objective of this financial product met?

Considering the fact that the company developed its activities only in accordance with the applicable statute, which effectively allows the fund to invest only in projects with sustainable objectives, it can be concluded that the sustainable investment objective of this financial product described above has been met at least at 90%.

- **How did the sustainability indicators perform?**

The achievement of the sustainable investment goal, and thus the overall impact of the Fund on sustainability, is measured annually on the basis of the following indicators.

It focuses mainly on reducing carbon emissions through the use of renewable energy sources.

The following indicators, which reflect the themes addressed by the Fund, are calculated to show the Fund's overall impact on sustainability:

1. Total amount of energy produced from renewable sources
2. Savings in carbon emissions due to the installation of renewable energy generation equipment
3. Households supplied with electricity from renewable sources
4. Share of renewable energy sources in the energy mix of energy companies in the Fund.

The above indicators represent the environmental benefits and results of the portfolio companies in their normal business activities. The fund participates in the environmental performance of portfolio companies through its investments.

In addition, the Fund received Ecolabel certification from the Austrian Ministry of the Environment and Energy. The Fund is also a member of the Principles of Responsible Investment (PRI) platform under the auspices of the United Nations, this membership helps the Fund to follow and set the right investment criteria with regard to sustainable investing.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

The sustainable investments described below, which are part of this financial product, do not significantly harm the environmental or social goals of sustainable investing<sup>4</sup>, as this financial product invests exclusively in companies that the management company has qualified as sustainable and in accordance with the statute, based on the sustainable investment process described above investing primarily in so-called green energy.

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<sup>4</sup> Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

This categorization states that these business companies must not have a significant negative impact on environmental or social factors, as such a violation would make it impossible to invest based on the mandatory ESG characteristics of this investment process.

- **Were sustainable investments aligned with the DECO Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

The management company also actively serves as a member of the Fund's Board of Directors. By the fact that the Fund's portfolio manager and a member of the Board of Directors of the management company is also a statutory body in this Company, it contributes to the improvement of the environmental and social performance of these companies through cooperation with business companies from the Fund's portfolio in the analyzed investment environment.

Individual investments are assessed in accordance with the management company's sustainability risk ESG policy, which is available on the management company's website.<sup>5</sup>

Taking ESG analysis into account when selecting assets for the Fund ensures that the Fund's sustainability policy is in line with the OECD Guidelines for Multinational Companies and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions set out in the International Labor Organization Declaration on basic principles and rights at work and in the international charter of human rights.

From the point of view of the risk of the type of assets in which the Fund mainly invests, the Fund is an investment fund of qualified investors with a focus on direct or indirect investments in new projects and the development of business plans, especially in the energy sector. The fund selects investments from the segment of companies engaged in the production of electricity from renewable energy sources (photovoltaics, wind and hydropower, biomass, biogas stations and others). Participation in business corporations. Participation in business corporations, whose subject is the production of electric or thermal energy from renewable sources, operation or maintenance of electric and thermal energy sources (solar and wind power plants, hydroelectric power plants, cogeneration units, energy production units of heat and/or electricity from biomass, biofuels, natural gas, and others) or the provision of energy services.

These companies are usually not listed on the stock exchange, have no employees and are therefore in the form of a so-called SPV (special purpose vehicle), the sole purpose of which is the operation of a green energy source.



**Does this financial product consider principal adverse impacts on sustainability factors?**

**YES**

**NO**

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<sup>5</sup>[https://redside.s3.amazonaws.com/redside/production/files/2022/10/21/12/24/01/1a81399f-e668-4205-9f07-092d7be2ee72/redside\\_politika\\_esg.pdf](https://redside.s3.amazonaws.com/redside/production/files/2022/10/21/12/24/01/1a81399f-e668-4205-9f07-092d7be2ee72/redside_politika_esg.pdf)

The financial product described basically takes into account all climate and other environmental indicators and indicators related to social and employment issues, respect for human rights, the fight against corruption and bribery, as set out in the Annex to Regulation (EU) 2022/1288. However, it should be noted that not every indicator is relevant to every fund investment. The investment process ensures that all environmental, social and corporate governance criteria relevant to the assessment of the investment are taken into account when assessing a given investment.

The companies in the Fund's portfolio are usually not listed on the stock exchange, have no employees and are therefore in the form of a so-called SPV (special purpose vehicle), the sole purpose of which is the operation of a green energy source.

The management company considers the prevention of greenhouse gas emissions to be the most important criterion, and takes into account the following factors in managing the Fund:

- Greenhouse gas emissions
- intensity of greenhouse gas emissions of SPVs in which the Fund invests
- Exposure to companies operating in the field of fossil fuels (exclusion criterion given by statute)



### What investment strategy does this financial product follow?<sup>6</sup>

In terms of the risk of the type of assets in which the Fund mainly invests, the Fund is an investment fund of qualified investors with a focus on direct or indirect investments in new projects and the development of business plans, especially in the energy sector. The fund selects investments from the segment of companies engaged in the production of electricity from renewable energy sources (photovoltaics, wind and hydropower, biomass, biogas stations and others). Participation in business corporations whose subject is the production of electric or thermal energy from renewable sources, operation or maintenance of electric and thermal energy sources (solar and wind power plants, hydroelectric power plants, cogeneration units, energy production units of heat and/or electricity from biomass, biofuels, natural gas, and others) or the provision of energy services.



### What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 28. 3. 2022 - 31. 12. 2022.

Largest investments	Sector	% Assets	Country
Photovoltaic project Csabrendek (Bárdio, Csete, Darvás, Nyires) - loan granted	RES	43.88 %	HU

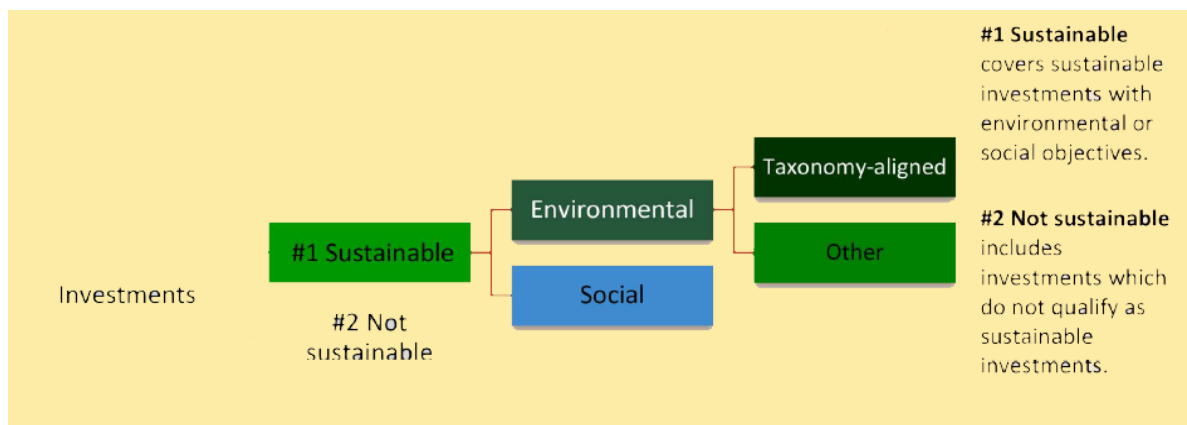
<sup>6</sup> The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



Photovoltaic project Chiloe - share in the company and loan granted	RES	19.14 %	CZ
Photovoltaic project Báracs (DMJ Management Solutions Kft) - loan granted	RES	11.01 %	HU
Photovoltaic project PV project - share in the company and loan granted	RES	5.59 %	SK
Photovoltaic project Energotrend Alfa	RES	3.80 %	CZ
Individual PV installations in Slovakia - shares in companies (CES Solar, Solaris One)	RES	3.98 %	SK



### What is the asset allocation and the minimum share of sustainable investments?



The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **Asset allocation**

All investments held by the Sub-Fund, i.e. basically assets after deduction of funds in bank accounts and operational accounts (e.g. speculative items, tax receivables, etc.), can be classified in category **#1 Sustainable - environmental - in accordance with the taxonomy.**

- **In which economic sectors were the investments made?**

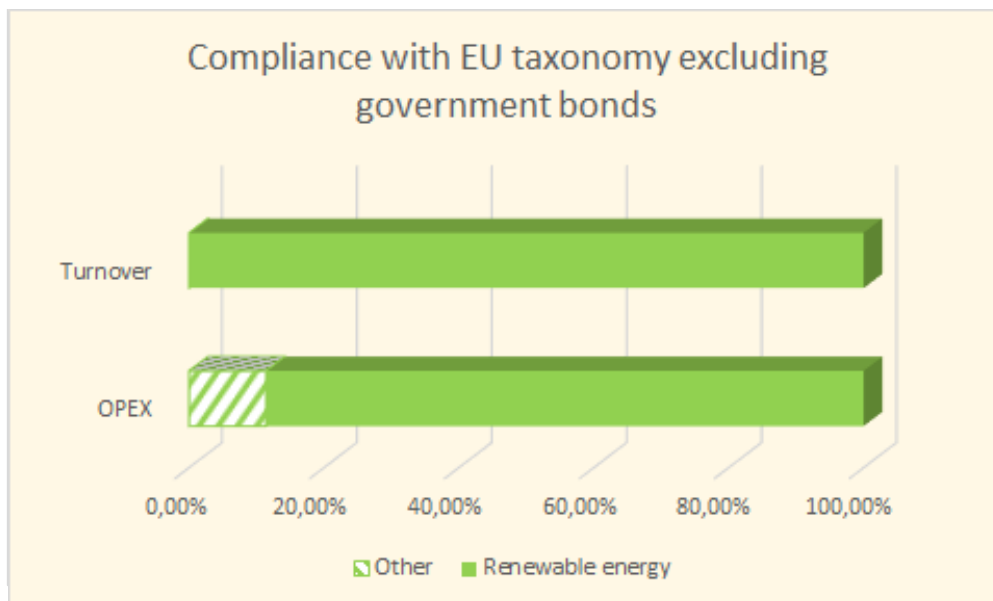
The fund invests at least 90% of the fund's assets in sustainable investments in accordance with its statute and its investment strategy, in accordance with Article 2(17) of Regulation (EU) 2019/2088. All investments must, at the time of purchase, comply with the Fund's statutes and thus the sustainability policy and thus qualify as sustainable within the meaning of the Fund's

statutes and the above regulation. If, during the regular updating of the ESG analysis, it is found that the investment no longer meets the conditions of sustainability, it must be sold in accordance with the Fund's statute.

The fund invests at least 90% of its assets (either directly or indirectly) in environmentally sustainable investments in accordance with Regulation (EU) 2020/852. It is precisely on the basis of the focus of the Fund that such a high share of sustainable investments with an environmental objective is expected in accordance with EU regulations.



### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?



- What was the minimum share of investments in transitional and enabling activities?

%



### What was the maximum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

%

The Taxonomy Regulation (Regulation [EU] 2020/852) only considers environmentally sustainable products and services that are based on commercially available green technologies. Environmentally sustainable business practices in the production of goods in other sectors of the economy are not taken into account.

The minimum value above was chosen because the distribution between these categories of green investment cannot be predicted, as the taxonomy share is not given in advance.



### What was the minimum share of socially sustainable investments?

0.00 %

The above value has been chosen because the Fund usually does not invest in listed companies, on the contrary, it makes most of its investments in so-called SPVs (special purpose vehicles), which themselves have no direct employees and are established primarily for the purpose of holding and operating a given energy source. Therefore, they exclusively follow the environmental aspect.



### What investments are included under "Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

Demand deposits, time deposits, or derivatives held for liquidity management and hedging purposes. Alternatively, investments in the framework of development, which at the given moment do not yet meet the required environmental aspects. Currently, these assets are considered environmentally and socially neutral.



### What actions have been taken to attain the sustainable investment objective during the reference period?

The Fund invests at least 90% of the fund's assets in sustainable investments in accordance with its statutes and its investment strategy, in accordance with Article 2, paragraph 17 of Regulation (EU) 2019/2088. All investments must, at the time of purchase, comply with the Fund's statutes and thus the sustainability policy and thus qualify as sustainable within the meaning of the Fund's statutes and the above regulation. If, during the regular updating of the ESG analysis, it is found that the investment no longer meets the conditions of sustainability, it must be sold in accordance with the Fund's statute.



### How did this financial product perform compared to the reference sustainable benchmark?

Reference sustainable benchmarks are indices measuring whether a financial product achieves the environmental or social characteristics it promotes. No index has been established as a benchmark for achieving environmental and/or social goals.

- *How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?*

not relevant

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

not relevant

- *How does the designated index differ from a relevant broad market index?*

not relevant

- *Where can the methodology used for the calculation of the designated index be found?*

not relevant

The Company monitors sustainability indicators as defined above. That is

1. Total amount of energy produced from renewable sources

65,501 MWh

2. Savings in carbon emissions due to the installation of renewable energy generation equipment

45,395 tons of CO<sub>2</sub>

3. Households supplied with electricity from renewable sources

18,608 households

4. Share of renewable energy sources in the energy mix of the Fund's energy companies.

100 %