

Annual Report 2022



Annual Report content

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.

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Financial part
NOVA Green Energy – Sub-Fund 1

Key economic indicators

55

GWh

Annual electricity production

137

million CZK

Total annual sales

2.4

billion CZK

Unleveraged assets under management





MANAGEMENT BOARD REPORT OF NOVA GREEN ENERGY – Sub-Fund 1

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 Sub-Fund NOVA Green Energy – Sub-Fund 1 of the investment fund NOVA Green Energy, SICAV, a.s., for the period from 1 January 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 individual assets of the Fund.

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 1 earned a total appreciation of 5.38%, i.e. a positive appreciation but slightly below the long-term target of 6%. The main reason for this was the unfavourable macroeconomic environment, consisting mainly of rising interest rates. This has resulted both in the over-pricing of senior loans and, above all, in the rise in risk-free interest rates, which are defined, for example, by government bond yields. 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

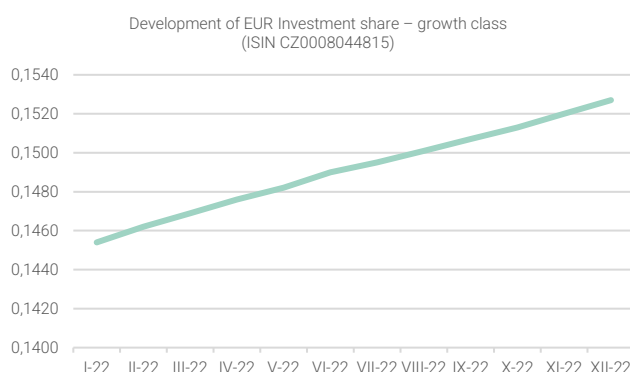
macroeconomic environment, which is characterised by unprecedented increases in interest rates, especially in Hungary and the Czech Republic.

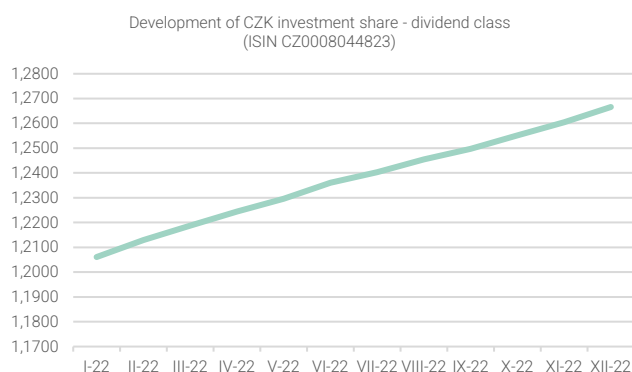
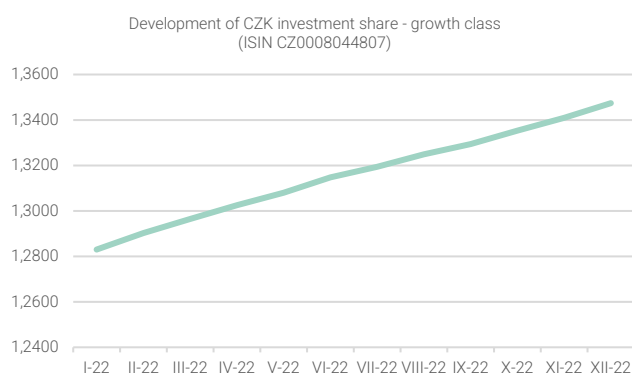
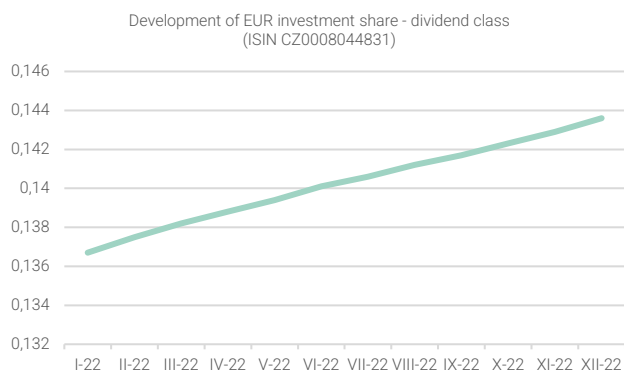
In Sub-Fund 1, our asset management focus was to address the current situation of the assets that Sub-Fund 1 had historically acquired from Arca Capital Group. In particular, the biomass power plants in Slovakia, which are being hit hard by the price of wood chips as a key feedstock for electricity and heat production.

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 2022, Sub-Fund 1 included the assets of two PV power plants in Hungary, the Top Pelet biomass heating plant in Krnč, Slovakia, and receivables associated with the TeHo Topolčany and TeHo Bardejov biomass heating plants.

Value of investment shares in 2022

As at 31 December 2022, the NAV per 1 piece of CZK investment share of the growth class of the Sub-Fund was CZK 1.3474, the NAV per 1 piece CZK investment share of the dividend class of the Sub-Fund was CZK 1.2666, the NAV per 1 piece of EUR investment share of the growth class of the Sub-Fund was EUR 0.1527 (CZK 3.6824) and the NAV per 1 piece EUR investment share of the dividend class of the Sub-Fund was EUR 0.1436 (CZK 3.4629).





Perspective for 2023

As stated above, the main tasks of the investment company in relation to Sub-Fund 1 are the completion of the side-pocket project and the active resolution of the situation with temporarily illiquid assets held by Sub-Fund 1.

Martin Dratva

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

Fund management in 2022

The performance of Sub-Fund 1 ended in 2022 with a profit of CZK 87,511 thousand. Detailed information on the operations of Sub-Fund 1 is provided in the annual financial statements for the period from 1 January 2022 to 31 December 2022 and extraordinary financial statements for the period from 1 January 2022 to 31 July 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.



Profile of NOVA Green Energy – Sub-Fund 1

The decisive period for the purposes of this Annual Report is the accounting period from 1 January 2022 to 31 December 2022.

1. Basic information on the Sub-Fund

Name: NOVA Green Energy – Sub-Fund 1
Short name: NGE – PF1
Company identification No.: 751 61 664
Registered office: V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic
Shares: Registered investment shares in book-entry form without nominal value
Shares: Growth investment shares A and dividend investment shares A
Net business assets: CZK 1,899,314 thousand

- 1.1. NOVA Green Energy – Sub-Fund 1 (hereinafter referred to as the „Sub-Fund“) is managed and administered by REDSIDE investiční společnost, a.s.
- 1.2. NOVA Green Energy – Sub-Fund is registered in the list of investment funds maintained by the CNB pursuant to Section 597(b) of the Act since 1 January 2020.
- 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 and further manages these assets.

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

Management Board

Member of the Management Board	REDSIDE investiční společnost, a.s.	since 1 January 2021
Authorised Representative	Rudolf Vřešťál	since 1 January 2021 till 2 September 2022
Authorised 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:

On 2 September 2022, the authorised representative Rudolf Vřešťál was replaced by Martin Dratva.

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

On 1 February 2023, the registered office of the member of the Board of Directors of Redside Investment Company, a.s. at V Celnici 1031/4, 110 00 Prague 1 - Nové Město was deleted and a new registered office was registered at Na příkopě 854/14, Nové Město, 110 00 Prague 1.

3. Information on the Investment Company managing the Sub-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 authorised 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

- The unfavourable macroeconomic environment, consisting mainly of rising interest rates, has resulted in more expensive loans and rising risk-free rates. Both effects are reflected in the increase in the discount rate, which causes a decline in the present value of assets. On the other hand, the same effect increases the growth potential in the following years.
- Operational problems of biomass thermal power plants, where the market price setting for wood chips, electricity and heat in 2022 did not allow to reach the production and operation plan.

Detailed information on the management of the Fund is provided in the annual financial statements for the period from 1 January 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 ownership interests in the Sub-Fund.

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

Name	Share	Identification No.	Country
ENWO s.r.o.	99%	44 022 751	SK
TFI Slovakia, s.r.o.	99%	50 412 477	SK
Bioplyn HOROVCE 3 s.r.o.	100%	47 168 099	SK
BioElectricity s.r.o. (16% held through TFI and Horovce 2)	80%	47 379 499	SK
DMJ Management Solutions Kft	100%	11-09-026180	HU
Nyires Solar Napenergia Hasznosító Kft	100%	11-09-027371	HU
Bárdió Solar Napenergia Hasznosító Kft	100%	11-09-027380	HU
Darvas Solar Napenergia Hasznosító Kft	100%	11-09-027359	HU
Csete Solar Napenergia Hasznosító Kft	100%	11-09-027388	HU
ZXJ Czech s.r.o.	100%	058 66 111	CZ
NGE TEHO s.r.o.	100%	119 83 701	CZ

Furthermore, ENWO s.r.o. owns 100% of TOP PELET. TFI Slovakia s.r.o. owns 80% of Bioplyn HOROVCE 2.

7. Persons acting in concert with Sub-Fund

In the reporting period, the Sub-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 reporting period, the Sub-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

1.1. Management Board

The sole member of the Management Board has not received any benefits from the Fund other than the fees arising from the Articles of Association and the contract for the performance of functions related to the management and administration of the Fund. For the year 2022, the sole member of the Management Board received the amount of CZK 19,665 thousand in respect of the management of the Fund.

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

As at 31 December 2022, the sole member of the Management Board, REDSIDE investiční společnost, a.s., owned 13,445,873 pcs of investment shares of the growth CZK class of the Sub-Fund.

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

The Sub-Fund was involved in the following litigation or arbitration during the decisive period.

- The Sub-Fund filed a lawsuit against Arca Capital Slovakia, a.s. v reštrukturalizácii, with its registered office at Plynárenská 7/A, 821 09 Bratislava, ID No: 35 868 856 ('ACS'), in Slovakia, for the determination of the denied claim arising from the ACS guarantee in the amount of EUR 863.201,08, which the plaintiff claimed in the restructuring of ACS.
- The Sub-Fund sued ACS for a declaration of invalidity of the restructuring plan against the plaintiff in Slovakia. An action was brought in the case.
- The Sub-Fund appealed against the resolution No. MSPH 98 INS 723/2021-B-639 approving the reorganisation plan of Arca Investments, a.s., ID No: 35975041, with its registered office at Plynárenská 7/A, 821 09 Bratislava ('AI'), in Czech Republic. The Sub-Fund's appeal was upheld by the Supreme Court in Prague and no appeal can be filed by AI against this decision.

13. Depository 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 depository 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 Fund's statute in the relevant period

During the accounting period, there were changes in the statute of NOVA Green Energy – Sub-Fund 1 in connection with the entry of Sub-Fund 1 into liquidation and the "side pocket" project.

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
Total personnel expenses of the managing company	28,745	28,851

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	16
Number of members of the Board of Directors	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 the Fund's assets	Type of asset	Acquisition cost	Total fair value
Bank accounts	cash at banks	20,597	20,597
BRQ Czech, a.s. CZ	bonds	97,500	33,054
BRQ Czech, a.s. CZ	receivable	30,000	28,872
Csete Solar HU	share	24,131	20,330
DMJ Management Solutions HU	share	48,797	88,634
ENWO s.r.o. SK	share	1,246	6,791
ENWO s.r.o. SK	receivable	91,545	130,589
Investiční akcie NGE PF2	shares	1,185,665	1,224,235
NGE TEHO s.r.o.	receivable	187,657	204,883
NGE TEHO s.r.o.	share	46,999	45,869
NOVA Money Market PF4 CZ	receivable	30,000	36,074
ZXJ Czech, s.r.o. CZ	share	69,591	27,112

18. Information on the average number of employees of the Sub-Fund

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

19. Investments in research and development

The Sub-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, the 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 an environmentally friendly approach 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 started preparatory work on the installation of rooftop photovoltaic power plants on the buildings of its sister fund, thus strengthening the ESG aspect of both funds, with a particular focus on environmental protection through the installation of renewable energy sources.

The Fund, the 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 to this Annual Report in the format of a completed V. RTS template.

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

The Investment Company does not currently have an organisational unit abroad.

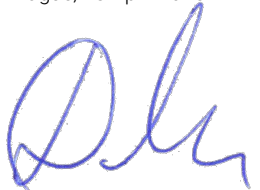
22. Fund's capital of the Sub-Fund

Fund's capital as at 31 December 2022

Fund's capital:	CZK 1,899,314 thousand
Number of issued growth EUR class investment shares	278,704,264 pcs.
Number of issued dividend EUR class investment shares	2,412,651 pcs.
Number of issued growth CZK class investment shares	631,770,210 pcs.
Number of issued dividend CZK class investment shares	10,595,410 pcs.
Fund's capital per 1 growth share /EUR class	EUR 0.1527 (CZK 3.6824)
Fund's capital per 1 dividend share /EUR class	EUR 0.1436 (CZK 3.4629)
Fund's capital per 1 growth share /CZK class	CZK 1.3474
Fund's capital per 1 growth share /CZK class	CZK 1.2666

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



Martin Dratva

Authorised Representative
of the sole member of the Management Board



**Financial Statements
NOVA Green Energy – Sub-Fund 1**



Independent Auditor's Report

To the shareholders of sub-fund NOVA Green Energy – podfond 1 of fund NOVA Green Energy, SICAV, a.s.

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 1 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 of 5 months ended 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 of 5 months ended 31 December 2022, and
- the notes to the financial statements including significant accounting policies and other explanatory information.

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.

Emphasis of matter

We draw your attention to the fact described within the financial statements in section 2. Basis for preparation of financial statements. The Sub-fund entered into liquidation on August 1, 2022. The attached financial statements were therefore not prepared on the basis of the assumption of going concern of the Sub-fund. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers Audit, s.r.o., Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic
T: +420 251 151 111, 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.

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.

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.

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.

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



Jakub Kolář
Statutory Auditor, Licence No. 2280

NOVA Green Energy – podfond 1

Financial Statements for the year ended 31 December 2022

Identification No: 751 61 664

Business activity: investment fund activity

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	31. 07. 2022
ASSETS			
3 Due from banks – repayable on demand	15	20,597	37,214
4 Due from customers – other receivables	16	418,057	399,307
5 Debt securities		33,054	35,485
6 Shares	12	1,224,235	1,160,361
8 Equity interests with controlling influence	17	204,014	199,423
Other assets		2,147	51,725
Prepaid expenses		23	67
Total assets		1,902,127	1,883,582
LIABILITIES			
4 Other liabilities	18	2,813	1,428
6 Provisions for taxes	19	-	1,578
7 Subordinated liabilities - net assets attributable to holders of investment shares	20	1,899,314	1,880,576
Total liabilities		1,902,127	1,883,582
OFF-BALANCE SHEET			
8 Assets under management	23	1,899,314	1,880,576

INCOME STATEMENT

As at 31 December 2022

In thousands of CZK	Note	1.8.2022 - 31.12.2022	1.1.2022 - 31.07.2022
Income on shares and participations		-	1,760
5 Fee and commission expense		(60)	(80)
6 Gain or loss from financial operations	11	39,279	(264,043)
Other operating income	12	30	1,153,747
Other operating expense	12	-	(823,109)
9 Administrative expense – other	13	(6,106)	(16,631)
19 Profit/loss on ordinary activities before tax		33,143	51,644
23 Income tax	22	(474)	3,198
Increase or decrease in net assets attributable to holders of investment shares from operations after tax		32,669	54,842

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

Establishment and characteristic of the Sub-Fund

NOVA Green Energy – Sub-Fund 1 (hereinafter the „Sub-Fund“) is managed and administered by REDSIDE investiční společnost, a.s. (hereinafter the "Investment Company" or the „Company“).

The Sub-Fund has been created in accordance with Act No. 240/2013 Coll., on Investment Companies and Investment Funds (hereinafter the "Act"). Specifically, Section 165 of the Act on Investment Companies and Investment Funds refers to sub-funds, where NOVA Green Energy, SICAV, a.s. may create sub-funds on the condition that the Articles of Association allow it. The Sub-Fund has its own investment strategy.

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

With effect from 1 January 2020 the open-end fund NOVA Green Energy otevřený podílový fond REDSIDE investiční společnost, a. s. was transformed into a joint-stock company with variable share capital NOVA Green Energy, SICAV, a.s., therefore NOVA Green Energy otevřený podílový fond REDSIDE investiční společnost, a. s. was dissolving fund and NOVA Green Energy, SICAV, a.s. is a newly emerging fund. At the same time, the newly emerging fund decided, through its manager, to create one sub-fund NOVA Green Energy – Sub-Fund 1, which took over all the assets of the dissolving fund.

Due to the change in the legal form of the Fund, see above, the share certificates of the original open-end mutual fund were delisted from the Regulated Market of the Prague Stock Exchange with effect from 31 December 2019. The units of the Sub-Fund have thus been replaced by investment shares which are not traded on a European regulated market.

The investment objective of the Sub-Fund was the continuous appreciation of the funds invested by the shareholders of the Sub-Fund, in particular on the basis of direct or indirect investments in new projects and the development of business plans. The projects were focused mainly on the energy sector, and especially on the segment of small and medium-sized enterprises engaged in the production of electricity or heat, especially from renewable sources (photovoltaics, wind and hydropower, biomass, biogas plants and others). The investment income was mainly provided from interest on loans provided to the project companies in the Sub-Fund's assets and a share in the profit of the project and business plan.

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 detailed on the Sub-Fund's website, has decided to wind up Sub-Fund 1 with liquidation, by analogy to Section 375(a) of the ISIF Act. 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. In return for the transferred assets, Sub-Fund 2 issues investment shares to Sub-Fund 1. Sub-Fund 1 thus gradually ends its investment activity.

Following the entry of Sub-Fund 1 into liquidation, extraordinary financial statements as of 31 July 2022 were prepared in accordance with Section 17 of the Accounting Act. Following the verification of these financial statements by the auditor, it was decided to advance the liquidation balance.

Sub-Fund strategy

The purpose of the Sub-Fund is to perform active asset management in relation to the assets of the Sub-Fund. Furthermore, the Sub-Fund will not make any further investments beyond those already made, except for investments in NOVA Green Energy – Sub-Fund 2, from which it may acquire investment shares for its portfolio, either by cash settlement or by a so-called in-kind contribution of one of the Sub-Fund's assets.

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. The investment shares issued to the Sub-Fund carry the right to share in the profits of the Sub-Fund's management in the case of dividend investment shares and in the liquidation balance on the winding-up 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 book-entry, no par value, registered, with limited transferability, the tradable unit is a unit of currency (CZK or EUR). Overview of the Sub-Fund's ISIN:

ISIN CZ0008044807 (NGE SICAV RÚST.CZK), Issuance of investment shares commenced on 20 January 2020. As of 31 December 2022, 631,770,210 units subscribed (31 July 2022: 631,770,210 units)

ISIN CZ0008044823 (NGE SICAV DIV.CZK), Issuance of investment shares commenced on 31 March 2020. 10,595,410 units subscribed as of 31 December 2022 (31 July 2022: 10,595,410 units)

ISIN CZ0008044815 (NGE SICAV RÚST.EUR), Issue of investment shares commenced on 20 January 2020. 278,704,264 units subscribed as at 31 December 2022 (31 July 2022: 278,704,264)

ISIN CZ0008044831 (NGE SICAV DIV.EUR), Issuance of investment shares commenced on 25 March 2020. 2,412,651 Ks subscribed as of 31 December 2022 (31 July 2022: 2,412,651 Ks)

Organizational structure

The 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. The subject of its business is the activity of an investment company under the Act.

Share capital of the investment company

CZK 8,400,000 100% of the share capital fully paid.

Date of establishment

29. 6. 2012

Decision on license for operation

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 CNB, based on Section 597, letter (a) of the Act.

The activities of the Investment Company in relation to the 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, mainly,
- bookkeeping for the Sub-Fund,
- providing legal services,
- ensuring 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-Sub-Funds,
- 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 Sub-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.

The sole body of the Fund according to the extract from the Commercial Register is the Board of Trustees as of 31.12.2022.

Member of the Management Board

function represented by

function represented by

REDSIDE investiční společnost, a.s.

Rudolf Vřešťál

Martin Dratva

from 1 January 2021 to 2 September 2022

from 2 September 2022

Company representation

A single member of the Board of Management acts independently on behalf of the Fund as a joint stock company with a variable share capital. The sole member of the Board of Management, and thus the company NOVA Green Energy, SICAV, a.s., acts for the sole member of the Board of Management and thus for the Fund NOVA Green Energy, SICAV, a.s. in all matters by an authorised representative.

Shareholders and shares

As of December 31, 2022, the Company was the sole shareholder:

- REDSIDE investiční společnost, a.s., Identification No: 242 44 601, 100,00 %
Prague 1, V Celnici 1031/4, postal code 110 00

Changes in the Commercial Register

In 2022, the following changes were made to the commercial register:

On 2 September 2022, the authorised representative Rudolf Vřešťál was replaced by Martin Dratva.

On 1 February 2023, the registered office of the Fund at Prague 1 - Nové Město, V Celnici 1031/4, Postal Code 11000, was removed and a new registered office at Na příkopě 854/14, Nové Město, 110 00 Prague 1 was registered.

On 1 February 2023, the registered office of a member of the Board of Management, Redside Investment Company, a.s., was removed from its registered office at Prague 1 - Nové Město, V Celnici 1031/4, Postal Code 11000 and a new registered office was registered at Na příkopě 854/14, Nové Město, 110 00 Prague 1.

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 accounts kept in accordance with

- 563/1991 Coll., the Accounting Act,
- 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., except for the presentation of fund capital and its changes for the accounting period in accordance with IFRS as of 1 January 2021 as described in the chapter Changes in accounting methods.

The financial statements have been prepared on an accrual basis of accounting and historical cost, except for selected financial instruments measured at fair value through profit or loss ("FVTPL").

After careful consideration of all the circumstances, it has been proposed that the Sub-Fund be wound up with effect from 1 August 2022. For this reason, the financial statements are not prepared on going-concern basis. The Sub-Fund has reflected the market values of the assets in these financial statements by adjusting the fair values according to the information available to the Sub-Fund at the date of these financial statements.

These financial statements are unconsolidated and are the only one prepared by the Sub-Fund. All figures are in thousands of CZK (thousands of CZK) unless otherwise stated.

Balance sheet day:	31 December 2022
The date of preparation of the financial statements:	28 April 2023
Accounting period:	1 August 2022 to 31 December 2022
Previous accounting period:	1 January 2022 to 31 July 2022

These ordinary financial statements are prepared for a period of five months, from the date of entering into liquidation on 1 August 2022 to 31 December 2022. For the previous financial year, the financial statements were prepared for a period of seven months preceding the date of entering into liquidation, so the figures for the previous financial year are not comparable.

All figures are in thousands of CZK (thousands of CZK) unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sub-Fund were prepared in accordance with the following important accounting policies:

(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 from sale of an asset or settlement of 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 for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of financial instruments traded in 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 observable on the market, either directly (i.e. from price) or indirectly (i.e. derived from prices), and (iii) Level 3 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 at inception), are not recognised 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 assets or the carrying amount of the financial liabilities.

The effective interest rate discounts the cash flows of floating rate instruments on 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 specified by regulation or market convention (regular delivery purchases) are recognized on the trade date, i.e. the date the sub-fund commits to purchase or sell the financial assets. All other purchases are recognised 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 measurement – measurement categories

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

d. Financial instruments - classification and subsequent measurement – 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 „Profit or loss on 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

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 issues the following types of investment shares for the Sub-Fund:

- (a) „Dividend investment share A”, which is issued to the Sub-Fund NOVA Green Energy – Sub-Fund 1, is a share with special rights, all issued dividend investment shares A are shares of one type. Dividend investment shares A were issued as a book-entry security.

- (b) "Growth investment share A", which is issued to the Sub-Fund NOVA Green Energy – Sub-Fund 1, is a share with special rights, all issued growth investment shares A are shares of one type. Growth investment shares A were issued as a book-entry security. Growth investment shares A do not have the right to a profit share payment, while the value of unpaid profit is reflected in the current value of growth investment shares A. The growth rate of performance of both types of investment shares A, i.e. dividend and growth investment shares A, is identical and even.

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 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 Fund's fund capital, are presented in the statement of financial position as a liability under "Net assets attributable to holders of investment shares". The statement of comprehensive income item "Increase/decrease in net assets attributable to equity holders after tax" represents the change in the value of fund equity for the period from ordinary activities.

Investment shares are reported in the amount paid for the redemption of investment shares, which is due on the reporting 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 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market 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 per investment holder 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 kept 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 statement is presented in Czech crowns.

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 (19%)

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 (since 1 January 2021 recognised within the item „Net assets attributable to holders of investment shares“).

Due to their significance, the list of changes in accounting methods and their effects in the accounting period are presented in the chapter itself.

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	The fair value as at 31. 07. 2022	Consideration received/ Loans granted/ Acquired equity interests	Reimbursement paid/ Repaid loans / Equity interests sold	Revaluation change in Gain or loss from financial operations	Balance as at 31. 12. 2022
Financial assets at fair value through profit or loss						
Receivables due from banks	2	37,214	748	(16,869)	(496)	20,597
Receivables due from customers	3	399,307	10,949	-	7,801	418,057
Debt securities	3	35,485	-	-	(2,431)	33,054
Shares	2	1,160,361	47,920	-	15,954	1,224,235
Equity interests with controlling influence	3	199,423	-	-	4,591	204,014

In thousands of CZK	Level	The fair value as at 31. 12. 2021	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. 7. 2022
Financial assets at fair value through profit or loss						
Receivables due from banks	2	38,463	124,372	(125,744)	123	37,214
Receivables due from customers	3	1,337,792	669,501	(1,616,004)	(1,983)	399,307
Debt securities	3	82,063	36,976	-	(83,554)	35,485
Shares	2	-	1,152,559	-	7,802	1,160,361
Equity interests with controlling influence	3	460,226	46,999	(232,401)	(75,401)	199,423

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 loans, corporate bonds and controlling interests. As observable prices are not available for these assets, the Fund used the valuation method 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:

Level 3 Financial assets at fair value through profit and loss as at 31 December 2022

In thousands of CZK			Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measurement
Receivables due from customers	418,057	Discounted cash flows („DCF“)		Discount rate	5,74 – 8,12 % (6,52 %)	± 0,5 %	4 341 (2,219)	
				Liquidity	0–100 % (61,77 %)	*	(209,656) 284,099	
Debt securities	33,054	Discounted cash flows („DCF“)		Government bonds yield curve	2,18 % (2,18 %)	± 0,5 %	(10) +2	
				Interest spread	4,53 % (4,53 %)	± 1 %	(28) +2	
				Liquidity	30,16 % (30,16 %)	± 10 %*	+9,236 (8,754)	
Equity securities	204,014	Discounted cash flows ("DCF")		Green energy price	89-177 EUR/MWh (95,7 EUR/MWh)	± 1 %	+18,617 (18,617)	
				Energy production	1 267 – 4 600 MWh/MW (1 351 MWh/MW)	± 5 %	+93,277 +93,108	
				Risk free rate	0,61 % - 3,68 % (3,12 %)	± 0,5 %	46,928 (35,208)	
				Risk premium	4,47 % (4,47 %)	± 1 %	81,822 (65,352)	

Level 3 Financial assets at fair value through profit and loss as at 31 July 2022

In thousands of CZK	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measurement
Receivables due from customers	399,307	Discounted cash flows („DCF“)	Discount rate	5,75 – 7,93 % (6,21 %)	± 0,5 %	3,234 (3,378)
			Liquidity	0–100 % (62,17 %)	*	(210,510) 281,584
Debt securities	35,485	Discounted cash flows („DCF“)	Government bonds yield curve	1,88 % (1,88 %)	± 0,5 %	- 0 +0
			Interest spread	4,37 % (4,37 %)	± 1 %	- 0 +0
			Liquidity	30,38 % (30,38 %)	± 10 %*	(8,520) +8,996
Equity securities	199,423	Discounted cash flows („DCF“)	Green energy price	89-662 EUR/MWh (164,5 EUR/MWh)	± 1 %	(18,585) +18,625
			Energy production	854,6 – 8 200 MWh/MW (1 312 MWh/MW)	± 5 %	(92,971) +92,987
			Risk free rate	0,43 % - 3,14 % (2,33 %)	± 0,5 %	41,219 (38,527)
			Risk premium	4,41 % (4,41 %)	± 1 %	78,171 (69,955)

* At the level of estimated minimum and maximum liquidity values considered according to the scenarios. For receivables not measured by the scenario method, a change in their liquidity is not considered.

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

The sensitivity of the fair value measurement disclosed in the table above shows the direction that an increase or decrease in the relevant input variables would have an impact on the profit or loss.

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

Existing receivables from loans granted to related entities in the Group as non-banking entities are not secured by any of the described types of collateral due to the fact that the debtor is wholly owned by the creditor, which, as the controlling person, controls all potential risks that could arise from the debtor's side and thus impair the receivable.

Receivables from loans granted outside the Group to third parties are contractually secured (a guarantee was provided when the loan was arranged). Receivables granted to the Arca Capital Group have been properly registered in the framework of the insolvency proceedings initiated, and reorganisation has been approved for both entities concerned (Arca Capital Slovakia, a.s. and Arca Investments, a.s.) in 2022. In both cases, the Fund disagrees with the reorganisation plan, which is discriminatory for the Fund and its affected entities, and has therefore brought an action for the ineffectiveness of the reorganisation plan.

The last group of receivables not included in the previous categories is a loan granted to BRQ Czech, a.s., for which the existing collateral was applied and a pledge was realised to satisfy the receivable.

This category also includes a loan receivable from NGE TEHO, which arose from the realisation of a pledge on the collateral securing funds provided to BRQ Czech, a.s.

NGE TEHO acquired a receivable from BRQ Czech, a.s. from the realization of the subject pledge, for which we perceive a certain risk of monetization, however, this is reflected in the fair value of this receivable. The acquisition of this receivable involved an unsecured loan from the Fund to NGE TEHO, where a similar risk is perceived as for the receivable acquired above.

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) Interest rate risk

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

In thousands of CZK	31. 12. 2022	31. 07. 2022
Arca Capital Slovakia	57	56
Arca Investments	11,151	11,151
Bioelektricity	-	-
Bioplyn Horovce	-	-
BRQ Czech	28,872	30,952
ENWO	130,589	130,030
NGE TEHO	204,884	192,038
NOVA Money Market – Sub-Fund 4	36,074	35,080
TFI Slovakia	-	-
TOP PELET	6,430	-
ZXJ Czech	-	-
Total	418,057	399,307

(b) Currency risk

The Sub-Fund holds both monetary and non-monetary assets denominated in currencies other than the Czech crown, 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 for all assets and liabilities denominated in foreign currencies

Foreign exchange position of the Sub-Fund

In thousands of CZK	EUR	CZK	Total
As at 31 December 2022			
Receivables due from banks – payable on demand	17,995	2,602	20,597
Receivables due from customers – other	358,541	59,516	418,057
Debt securities	33,054	-	33,054
Shares	666,890	557,345	1,224,235
Equity interests with controlling influence	176,852	27,162	204,014
Other assets	54	2,093	2,147
Prepaid expenses	8	15	23
Total assets	1,253,394	648,733	1,902,127

Other liabilities	54	2,759	2,813
Provisions for taxes	-	-	-
Subordinated liabilities – Net assets attributable to holders of investment shares	735,258	1,164,056	1,899,314
Total liabilities	735,312	1,166,815	1,902,127
Net foreign exchange position	518,082	(518,082)	-

Foreign exchange position of the Sub-Fund

In thousands of CZK	EUR	CZK	Total
As at 31 July 2022			
Receivables due from banks – payable on demand	29,641	7,573	37,214
Receivables due from customers – other	340,436	58,871	399,307
Debt securities	35,485	-	35,485
Shares	637,796	522,565	1,160,361
Equity interests with controlling influence	171,173	28,250	199,423
Other Assets	48,023	3,702	51,725
Prepaid expenses	40	27	67
Total assets	1,262,594	620,988	1,883,582
Other liabilities	-	1,428	1,428
Provisions for taxes	-	1,578	1,578
Subordinated liabilities – Net assets attributable to holders of investment shares	749,190	1,131,386	1,880,576
Total liabilities	749,190	1,134,39	1,883,582
Net foreign exchange position	513,403	(513,403)	-

The table below summarises the sensitivity of the Sub-Fund's exposure to changes in foreign exchange rates as at 31 December 2022 and 31 July 2022. 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 account as well as net assets.

In thousands of CZK	31.12.2022		31.7.2022	
	Reasonable rate shift	Value movement	Reasonable rate shift	Value movement
Currency position in EUR	+/- 2,5 %	+/- 12,952	+/- 2,0 %	+/- 10,268

(c) Interest rate risk

The Sub-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. The Board of Directors monitors on a continuously basis and sets limits on the level of mismatch of interest rate repricing that may occur.

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

Interest rate sensitivity of the Sub-Fund's assets and liabilities

In thousands of CZK	Within 3 months	From 3 months to 1 year	1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2022						
Receivables due from banks – payable on demand	20,597	-	-	-	-	20,597
Receivables due from customers – other	76,097	206,897	134,415	648	-	418,057
Debt securities	33,054	-	-	-	-	33,054
Shares	-	-	-	-	1,224,235	1,224,235
Equity interests with controlling influence	-	-	-	-	204,014	204,014
Other assets	388	1,759	-	-	-	2,147
Prepaid expenses	23	-	-	-	-	23
Total	130,159	208,656	134,415	648	1,428,249	1,902,127
Other liabilities	2,813	-	-	-	-	2,813
Provisions for taxes	-	-	-	-	-	-
Subordinated liabilities – Net assets attributable to holders of investment shares	-	1,899,314	-	-	-	1,899,314
Total	2,813	1,899,314	-	-	-	1,902,127
Gap	127,346	(1,690,658)	134,415	648	1,428,249	-
Cumulative Gap	127,346	(1,563,312)	(1,428,897)	(1,428,249)	-	-

Interest rate sensitivity of the Sub-Fund's assets and liabilities

In thousands of CZK	Within 3 months	From 3 months to 1 year	1 year to 5 years	Over 5 years	Not specified	Total
As at 31 July 2022						
Receivables from banks - payable on demand	37,214	-	-	-	-	37,214
Receivables due from customers - others	31,607	193,337	131,730	42,633	-	399,307
Debt securities	35,485	-	-	-	-	35,485
Shares	-	-	-	-	1,160,361	1,160,361
Equity interests with controlling influence	-	-	-	-	199,423	199,423
Other assets	48,097	3,628	-	-	-	51,725
Prepaid expenses	67	-	-	-	-	67
Total	152,470	196,965	131,730	42,633	1,359,784	1,883,582
Other liabilities	1,428	-	-	-	-	1,428
Provisions for taxes	-	1,578	-	-	-	1,578
Subordinated liabilities – Net assets attributable to holders of investment shares	-	1,880,576	-	-	-	1,880,576
Total	1,428	1,882,154	-	-	-	1,883,582
Gap	151,042	(1,685,189)	131,730	42,633	1,359,784	-
Cumulative Gap	151,042	(1,534,147)	(1,402,417)	(1,359,784)	-	-

(d) Other price risk and fund limits

Sub-Fund is exposed to equity securities price risk. This arises from investments held by the Sub-Fund for which prices in the future are uncertain. Where equity securities are denominated in currencies other than the Czech crowns, 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 type of assets in which the Fund predominantly invests, the Fund is a qualified investor investment fund with a focus on direct or indirect investments in new projects and business development, particularly in the energy sector. The investment activities of the Sub-Fund will also focus on investment funds focused on the renewable energy sector within the European markets.

Further, there are no limits on risk limitation and spreading in view of the limited investment strategy and therefore the Sub-Fund may hold up to 100% of its assets in investment shares of the NOVA Green Energy Sub-Fund 2.

(e) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

However, this risk is not an issue for the Sub-Fund due to the fact that REDSIDE, as the sole member of the Board of Directors and as manager of the Sub-Fund, has decided to suspend the issuance and redemption of the investment shares issued to the Sub-Fund due to entering into liquidation in connection with the implementation of the transformation of the Sub-Fund under the working name "Side-pocket".

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

In thousands of CZK	Within 3 months	From 3 months to 1 year	1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2022						
Receivables from banks - payable on demand	20,597	-	-	-	-	20,597
Receivables due from customers - other	76,097	206,897	134,415	648	-	418,057
Debt securities	33,054	-	-	-	-	33,054
Shares	-	-	-	-	1,224,235	1,224,235
Equity interests with controlling influence	-	-	-	-	204,014	204,014
Other assets	388	1,759	-	-	-	2,147
Prepaid expenses	23	-	-	-	-	23
Total	130,159	208,656	134,415	648	1,428,249	1,902,127
Other liabilities	2,813	-	-	-	-	2,813
Provisions for taxes	-	-	-	-	-	-
Subordinated liabilities – Net assets attributable to holders of investment shares	-	1,899,314	-	-	-	1,899,314
Total	2,813	1,899,314	-	-	-	1,902,127
Gap	127,346	(1,690,658)	134,415	648	1,428,249	-
Cumulative Gap	127,346	(1,563,312)	(1,428,897)	(1,428,249)	-	-

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

In thousands of CZK	Within 3 months	From 3 months to 1 year	1 year to 5 years	Over 5 years	Not specified	Total
As at 31 July 2022						
Receivables from banks - payable on demand	37,214	-	-	-	-	37,214
Receivables due from customers - other	31,607	193,337	131,730	42,633	-	399,307
Debt securities	35,485	-	-	-	-	35,485

Shares	-	-	-	-	1,160,361	1,160,361
Equity interests with controlling influence	-	-	-	-	199,423	199,423
Other assets	48,097	3,628	-	-	-	51,725
Prepaid expenses	67	-	-	-	-	67
Total	152,470	196,965	131,730	42,633	1,359,784	1,883,582
Other liabilities	1,428	-	-	-	-	1,428
Provisions for taxes	-	1,578	-	-	-	1,578
Subordinated liabilities – Net assets attributable to holders of investment shares	-	1,880,576	-	-	-	1,880,576
Total	1,428	1,882,154	-	-	-	1,883,582
Gap	151,042	(1,685,189)	(131,730)	42,633	1,359,784	-
Cumulative Gap	151,042	(1,534,147)	(1,402,417)	(1,359,784)	-	-

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 holders of investment shares 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 sell within the redemption periods paid by the Sub-Fund to investors who own investment shares.
 - 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.
 - As the entry and exit, or the possibility to subscribe or redeem the investment shares of Sub-Fund 1 is suspended as of 29 July 2022 due to the entry into liquidation in connection with the implementation of the transformation of the Sub-Fund under the working name "Side-pocket, 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.

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 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.

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. The Board of Directors monitors its investments both individually and according to the geographical location to the Czech Republic, Slovakia and Hungary. There were no changes in the segmentation during the period under review.

The segment information is as follows:

Revenue and expenses by segment for the period ending 31 December 2022

In thousands of CZK	Czech Republic	Slovak Republic	Hungary	Total
Income from shares and interests	-	-	-	-
Gain (+) or loss (-) on financial operations	32,237	(9,743)	16,785	39,279

- of which interest income	19,088	4,260	-	23,348
- of which revaluation to fair value	19,778	(10,942)	18,946	27,782
- of which exchange rate differences	(6,630)	(3,060)	(2,161)	(11,851)
Total revenue/expenses by segment				39,279

Revenue and costs by segment for the period ending 31 July 2022

In thousands of CZK	Czech Republic	Slovak Republic	Hungary	Total
Income from shares and interests	1,761	-	-	1,761
Gain (+) or loss (-) on financial operations	14,600	(275,663)	(2,900)	(264,043)
- of which interest income	51,992	24,103	13,050	89,145
- of which revaluation to fair value	(43,692)	(297,934)	(14,880)	(356,506)
- of which exchange rate differences	6,300	(1,832)	(1,150)	3,318
Total revenue/expenses by segment	16,361	-275,663	(2,980)	(262,282)

Financial assets by segment as at 31 December 2022 and 31 July 2022

In thousands of CZK	Fair value	31 December 2022 % of net assets	Fair value	31 July 2022 % of net assets
Receivables from banks				
Czech Republic	20,597	1,08 %	37,214	2,03 %
Slovak Republic	-	-	-	-
Hungary	-	-	-	-
Total receivables from banks	20,597	1,08 %	37,214	2,03 %
Receivables due from customers				
Czech Republic	264,995	13,95 %	258,070	14,09 %
Slovak Republic	153,062	8,06 %	141,237	7,71 %
Hungary	-	-	-	-
Receivables due from customers total	418,057	22,00 %	399,307	21,08 %
Debt securities				
Czech Republic	33,054	1,74 %	35,485	1,94 %
Slovak Republic	-	-	-	-
Hungary	-	-	-	-
Debt securities Total	33,054	1,74 %	35,485	1,94 %
Shares				
Czech Republic	1,224,235	64,43 %	1,160,361	63,35 %
Slovak Republic	-	-	-	-
Hungary	-	-	-	-
Total shares	1,224,235	64,43 %	1,160,361	63,35 %

Equity interests with controlling influence

Czech Republic	72,981	3,84 %	75,009	4,09 %
Slovak Republic	6,791	0,36 %	16,956	0,93 %
Hungary	124,242	6,54 %	107,458	5,87 %
Equity interests with controlling influence total	204,014	10,74 %	199,423	10,89 %
Total financial assets at fair value through profit or loss	1,899,957	100 %	1,831,790	100 %

9. INTEREST INCOME

As from 1 January 2022, the Sub-Fund recognises interest income as part of the fair value revaluation in the profit and loss account in the line Profit or loss on financial operations, see further detail in Note 11.

10. INTEREST EXPENSE

As at 31 December 2022 and 31 July 2022, the Sub-Fund has no interest expense.

11. GAIN OR LOSS FROM FINANCIAL OPERATIONS

In thousands of CZK	1.8.2022 - 31. 12. 2022	1.1.2022 - 31. 07. 2022
Gain (+) or loss (-) on financial operations - interest income	23,348	89,145
Gain (+) or loss (-) on financial operations - exchange differences	(11,851)	3,318
Gain or loss from financial operations – revaluation to fair value	27,782	(356,506)
Total	39,279	(264,043)

In thousands of CZK	1.8.2022 - 31. 12. 2022				Total
	interest income	exchange differences - realised	exchange differences - unrealised	revaluation to fair value	
Gain (+) or loss (-) from financial operations - loans granted	19,972		(7,142)	(5,029)	7,801
Gain (+) or loss (-) on financial operations – shares			(3,443)	8,034	4,591
Gain (+) or loss (-) on financial operations – bonds	3,376		(1,342)	(4,466)	(2,432)
Gain (+) or loss (-) on financial operations - shares			(13,289)	29,243	15,954
Gain (+) or loss (-) on financial operations - investment shares issued			13,932		13,932
Gain (+) or loss (-) on financial operations other		(567)			(567)
Total	23,348	(567)	(11,284)	27,782	39,279

12. SIDE-POCKET

Income and expenses related to the "Side-pocket" transaction in the previous period: thousands of CZK	1.8.2022 – 31. 12. 2022	1.1.2022 – 31. 07. 2022
Profits from assigned receivables	-	834,284
Profits from the sale of controlling interests	-	319,463
Losses from assigned receivables	-	(796,453)
Loss from sale controlling interests	-	(26,656)

Gain (+) or loss (-) on financial operations - exchange differences	-	5,081
Gain (+) or loss (-) on financial operations - revaluation to fair value	-	(335,719)
Total	-	-

Profits from the assigned receivables and from the sale of interests with a decisive influence on Sub-Fund 2 are recognised under Other operating income. Losses on ceded receivables and on the sale of interests with a decisive influence on Sub-Fund 2 are recognised in Other operating expenses. Gain on financial operations - exchange differences and Loss on financial operations - remeasurement to fair value are included in Gain or loss from financial operations.

13. ADMINISTRATIVE EXPENSES

In thousands of CZK	1.8.2022 – 31. 12. 2022	1.1.2022 – 31. 07. 2022
Management of the Sub-Fund	4,528	15,137
Management fees	-	-
Depositary and custody fees	583	545
Audit, legal and tax advice fees	793	645
Other (expert opinions, translations, marketing)	202	304
Total	6,106	16,631

The Sub-Fund pays management fees to the Investment Company calculated in accordance with the Statutory Manager's service agreement at the rate of 1.6% of the Sub-Fund's equity per annum. If all conditions under the Fund's Articles of Association are met, the Investment Company is also entitled to a performance fee of 30% of the value exceeding 6% of the Sub-Fund's annual performance.

The Sub-Fund pays the Depositary a fee of CZK 583 thousand for the performance of the Depositary's duties CZK 585 thousand (as at 31 July 2022: CZK 545 thousand).

14. RELATED PARTY TRANSACTIONS

In thousands of CZK	31. 12. 2022	31. 07. 2022
Assets		
Due from customers	341,902	322,068
Equity interests with controlling influence	204,014	199,423
Liabilities		
Income		
Interest income from loans granted to entities with controlling influence	16,776	35,596
Expenses		

Details relating to the Side-pocket transactions as at 31 July 2022 are further described in Note 12.

15. 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 Moody's BAA3 as of 31 December 2022 (Moody's LTD rating is BAA1).

In thousands of CZK	31. 12. 2022	31. 07. 2022
Current accounts (nostro accounts)	20,597	37,214
Net receivables due from banks	20,597	37,214

16. DUE FROM CUSTOMERS

In thousands of CZK	31. 12. 2022	31. 07. 2022
Receivables from loans granted	418,057	399,307
Net receivables due from customers	418,057	399,307

Loans to related parties and group entities are granted at interest rates ranging from 6% to 9% per year and are payable between 2022 and 2025. The Board of Directors believes that the principal and accrued interest will be repaid in accordance with the loan agreements. 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.

17. EQUITY INTERESTS WITH CONTROLLING INFLUENCE

as at 31 December 2022

Company name	Share in equity	Acquisition cost	Revaluation to fair value
DMJ Management Solutions	100 %	48,797	39,837
TFI Slovakia	99 %	157	(157)
Bioplyn Horovce 3	100 %	4,167	(4,167)
Bioelectricity	80 %	2,670	(2,670)
ENWO	99 %	1,246	5,545
ZXJ	100 %	69,591	(42,479)
Csete Solar	100 %	24,131	(3,801)
Darvas Solar	100 %	20,551	(20,551)
Nyires Solar	100 %	15,172	(3,118)
Bardio Solar	100 %	10,372	(7,148)
NGE TEHO	100 %	46,999	(1,130)
Total		243,853	(39,839)

as at 31 July 2022

Company name	Share in equity	Acquisition cost	Revaluation to fair value
DMJ Management Solutions	100 %	48,797	20,170
TFI Slovakia	99 %	157	(157)
Bioplyn Horovce 3	100 %	4,167	(4,167)
Bioelectricity	80 %	2,670	(2,670)
ENWO	99 %	1,246	15,711
ZXJ	100 %	69,591	(41,391)
Csete Solar	100 %	24,131	(2,720)
Darvas Solar	100 %	20,551	(20,551)
Nyires Solar	100 %	15,172	(2,621)
Bardio Solar	100 %	10,372	(5,844)
NGE TEHO	100 %	46,999	(190)
Total		243,853	(44,430)

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

18. OTHER LIABILITIES

In thousands of CZK	31. 12. 2022	31. 07. 2022
Trade payables and other creditors	-	31
Estimated payables	2,813	1,397
Advances received	-	-
Loans received	-	-
Total	2,813	1,428

19. INCOME TAX PROVISION

In thousands of CZK	31. 12. 2022	31. 07. 2022
Opening balance as at 1 August	,	4,475
Additions to provision in the amount of expected tax	-	1,578
Utilisation of tax provision	(1,578)	(4,475)
Closing balance as at 31. December	-	1,578

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

Sub-Fund as at 31.7.2022 and 31.12.2022 has no share capital. The issued Investment Shares of the Sub-Fund 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 July 2022 and 31 December 2022:

In thousands of CZK	Total
Balance as at 1 January 2022	1,832,769
Income from issued investment shares	-
Expenditures on repurchased investment shares	-
Exchange differences on other net assets attributable to holders of investment shares	(7,036)
Shareholders contributions	-
Exchange differences on other net assets attributable to holders of investment shares from ordinary activities after tax	54,842
Balance as at 31 July 2022	1,880,576

In thousands of CZK	Total
Balance as at 1 August 2022	1,880,576
Income from issued investment shares	-
Expenditures on repurchased investment shares	-
Exchange differences on other net assets attributable to holders of investment shares	(13,931)
Shareholders contributions	-
Increase or decrease in net assets attributable to holders of investment shares from operations after tax	32,669
Balance as at 31 December 2022	1,899,314

As at 31 December 2021 and 31 July 2022, the number of investment shares issued, purchased and outstanding was as follows:

number of pieces	RUST. CZK	DIV. CZK	RUST EUR	DIV. EUR	Total
1 January 2022	631,770,210	10,595,410	278,704,264	2,412,651	923,482,535
Issued investment shares	-	-	-	-	-
Repurchased investment shares	-	-	-	-	-
31 July 2022	631,770,210	10,595,410	278,704,264	2,412,651	923,482,535

number of pieces	RUST. CZK	DIV. CZK	RUST EUR	DIV. EUR	Total
1 August 2022	631,770,210	10,595,410	278,704,264	2,412,651	923,482,535
Issued investment shares	-	-	-	-	-
Repurchased investment shares	-	-	-	-	-
31 December 2022	631,770,210	10,595,410	278,704,264	2,412,651	923,482,535

The net asset values (NAV) per investment share of the Sub-Fund as at the balance sheet date are as follows:

Growth investment shares

CZK 1,3474 (as at 31 July 2022: CZK 1,3194)
 EUR 0,1527 (as at 31 July 2022: EUR 0,1495)

Dividend investment shares

CZK 1,2666 (as at 31 July 2022: CZK 1,2403)
 EUR 0,1436 as at 31.7. 2022: EUR 0,1406)

21. RETAINED EARNINGS

Profit for the period 1 January - 31 July 2022 in the amount of CZK 54,842 thousand was transferred to the Subordinated liabilities - Net assets attributable to investment shareholders account, thereby increasing it.

Profit for the period 1 August 2022 – 31 December 2022 in the amount of CZK 32,669 thousand was proposed to be transferred to the Subordinated Liabilities - Net Assets Attributable to Holders of Investment Shares line, thereby increasing them.

22. INCOME TAX AND DEFERRED TAX

(a) Tax payable for the current accounting period

In thousands of CZK

Profit (loss) for the accounting period before tax	33,143
Tax basis	-
Tax payable calculated using the 5% rate	-

(b) Deferred tax

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

23. ASSETS UNDER MENAGEMENT

In thousands of CZK	31. 12. 2022	31. 07. 2022
Cash	20,597	37,214
Due from customers	418,057	399,307
Debt securities	33,054	35,485
Shares	1,224,235	1,160,361
Property securities	204,014	199,423
Other assets, deferred charges	2,170	51,792
Provisions for tax	-	(1,578)
Other liabilities	(2,813)	(1,428)
Total	1,899,314	1,880,576

25. SUBSEQUENT EVENTS

At the time of preparing the financial statements, the management of the Sub-Fund is not aware of any other significant subsequent events that would affect the financial statements as at 31 December 2022.

The financial statement was prepared on:

28 April 2023

Stamp and signature of the Statutory Body:

Person responsible for accounting

Person responsible for the financial statements


Martin Dratva
Authorized Representative


Karel Krhovský
CEO
Phone no.: 222 500 758


Šárka Burgetová
Head of Finance
Phone no.: 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 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 1, in liquidation.

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?¹

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 Taxonomy²:

YES

NO

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

YES

NO

¹ 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.

² 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?³

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.

³ Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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. 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, so that at least 90% of all assets could be considered sustainable.

- **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 investing⁴, 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.

⁴ 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.⁵

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

⁵https://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?⁶

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: 1. 8. 2022 - 31. 12. 2022.

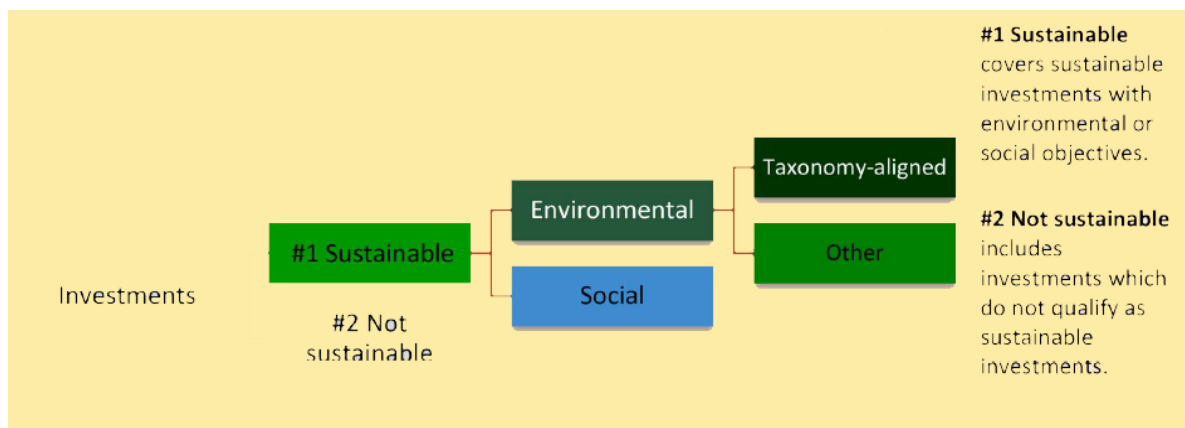
Largest investments	Sector	% Assets	Country
Investment shares NGE PF2	RES	64.42 %	CZ, SK, HU

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

NGE TEHO s.r.o. CZ – share in the Company and loan granted	RES	13.19 %	CZ
ENWO s.r.o. SK – share in the Company and loan granted	RES	7.23 %	HU
DMJ Management Solutions HU – share in the Company	RES	4.66 %	SK
Investment in sustainable investments - bonds	RES	3.26 %	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**

At least 90.00 % of all investments held by the Sub-Fund can be classified in category **#1 Sustainable - environmental - in accordance with the taxonomy**. Only a fraction of investments - up to 7% of total assets can be classified as **#2 Not sustainable**.

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

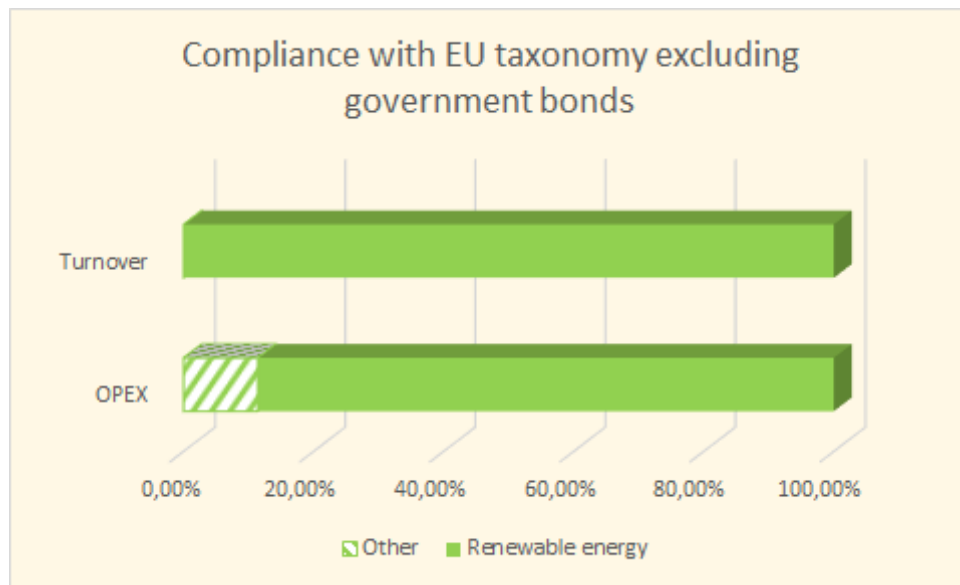
The fund invests at least 90% of the fund's assets in sustainable investments in accordance with its statute and its investment strategy, in accordance with Article 2(17) of Regulation (EU) 2019/2088. All investments must, at the time of purchase, comply with the Fund's statutes and thus the sustainability 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. In the case of Subfund 1, liquidation has been initiated and assets classified as unsustainable are being gradually liquidated in accordance with the liquidation plan.

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, bonds, 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 CO₂

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 %