



NOVA Green Energy, SICAV, a.s.

| Side - Pocket

SIDE – POCKET: BASIC PRINCIPLES

- ▶ Opportunity to continue with investment strategy and development of NGE fund;
- ▶ Separation of hardly valuable and less liquid actives, which are connected with Arca Capital group, from operationaly and legaly „healthy“ actives;
- ▶ Foundation of a new subfond of NGE, which will be open for a new investors and will be available to start a new energetic projects;
- ▶ Stabilisation of cash flow = higher liquidity for current shareholders of NGE SF 1;
- ▶ Expense effective for current shareholders of NGE SF1 = Position of client can't be worse;
- ▶ Gradual sensitive liquidation of the original NGE PF 1 with an ongoing "in kind" payment of the liquidation balance in the form of new investment shares of Sub-Fund 2;

REASON OF CREATION NOVA GREEN ENERGY - SUBFUND 2

- ▶ Perspective NGE portfolio of 30 FVE of 60 MW power in CZ/SVK/HU based on feed-in tariffs;
- ▶ NGE has crossborder notifications and is the only fund in CZ with ESG certificate (The Austrian Ecolabel);
- ▶ Energetic projects with interesting yields based now only on market (PPA 10y contracts with pricing 70 EUR/MWh) with low volatility;
- ▶ Dynamic segment of energetic market (for example energetic mix of CZ, lowering of emissions of CO₂ etc.);
- ▶ High demand for investments into renewable resources from CZ and other countries (ESG trend);
- ▶ Huge pipeline of suitable projects for NGE (PL, SVK, HU, FR, PT);
- ▶ Fund manager with competency to lead investment process completely from identification of an active, structuralization of a transaction, financing and implementation into the fund, through active asset management to exit.



USAGE OF SIDE-POCKET FOR POSSIBILITY OF NEXT GROWTH OF INVESTMENTS OF CURRENT SHAREHOLDERS OF NGE

- ▶ Foundation of a new sub fund, NOVA Green Energy – Subfund 2 (the same strategy and risk profile as sub fund NGE 1);
- ▶ Based on independent valuation and final accounts audited by PriceWaterhouseCoopers up to date 31st December will set the real value of the „healthy“ actives;
- ▶ Based on agreements of transition of shares and agreements of assigning of claims all „healthy“ actives will be transferred to Subfund 2;
- ▶ Purchase prices for shares and claims to these shares will be settled by inclusion with issuance of investment stocks of Subfund 2;



- ▶ By settling the trade, the investment shares of Subfund 2 will be credited to the account of Subfund 1;
- ▶ Subfund 1 becomes a qualified investor of Subfund 2, which further develops its investment strategy and implements new projects;
- ▶ Subfund 1 will go into liquidation and subsequently there will be an ongoing so-called "in kind" advance payment on the liquidation balance of Subfund 1 in the form of investment shares of the open Subfund 2.;
- ▶ Through the transfer, the shareholder of Subfund 1 will receive a class of investment shares of Subfund 2 at the same value as the right to repurchase or sell on the secondary market.;
- ▶ REDSIDE will continue to take all steps to eliminate the "unhealthy part" of the Subfund 1's portfolio in order to maximize the value for the shareholders of the Subfund 1.



NGE ACTIVES IN SIDE POCKET

- ▶ I. Hungarian photovoltaic platforms + Financial means – *ca 11,4 %*
- ▶ II. Overvalued claims to BRQ from aquisition biomass heating plants TeHo – *ca 15,5 %*
- ▶ III. Biogas stations + biomass power plant Krnča – *ca 6,7 %*
- ▶ IV. Overvalued claims to Arca – *ca 2,0 %*

TECHNICAL PARAMETERS AND EXPECTED TIME FRAME

31.1.2022

Decision of prolongation of issuance and redemption of investment stocks (goal: get some space for realization of SIDE-POCKET and entrance of Subfund 1 into liquidation)

30.4.2022

Valuation of assets at fair value and audit of the financial statements of Subfund 1, including preparation of the transaction documents for the transfer of assets from Subfund 1 to Subfund 2

2Q/2022

Foundation of Subfund 2 and transfer of actives with issuance of a primary emission of Investment Stocks of Subfund 2 to account of Subfund 1

2Q/2022

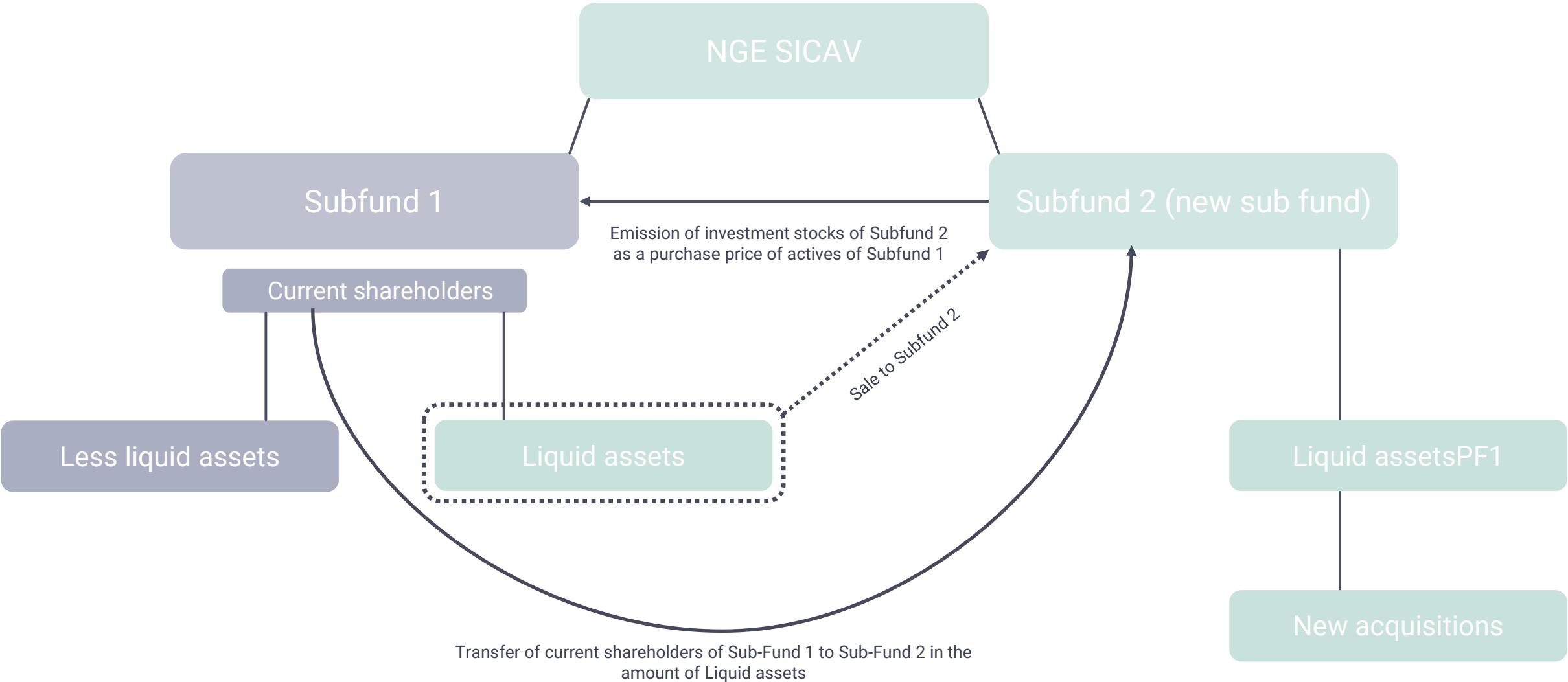
Commencement of the process of entry of Subfund 1 into liquidation

3Q/2022

Exchange of investment shares in the form of "in kind" as payment of an advance on the liquidation balance of Sub-Fund 1 for investment shares of Sub-Fund 2

Gradual liquidation of Subfund 1's assets and development of Subfund 2's investment strategy

GRAPHIC SCHEME OF THE TRANSACTION





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