

Dear shareholders, dear business partners,

we would like to inform you about the current development of the "side pocket" project to date. In accordance with the approved and already communicated project strategy, several steps have been taken so far, which we would like to introduce you to.

- on March 28, 2022, Subfund 2 was entered into the list of the Czech National Bank, and thus it was formally established
- by January 2023, the majority of assets (photovoltaic power plants) were transferred from Subfund 1 to Subfund 2 and investment shares of Subfund 2 in aliquoted market value according to an independent market valuation were issued
- on August 1, 2022, based on the decision of the manager of Subfund 1, the Subfund 1 entered liquidation
- on November 30, 2022, the financial statements of Subfund 1 as of the date of entry of Subfund 1 into liquidation were issued after being audited by PricewaterhouseCoopers

The assets transferred from Subfund 1 to Subfund 2 continue to show very good performance and are stable and promising from the point of view of further production. The appreciation of Subfund 2 for the month of December 2022 was 0.52 %. For the year 2022, it makes 3.58 % YTD, while Subfund 2 showed investment activity in 2022 only for a period of 7 months. If we were to annualize the achieved performance, we would report an annual appreciation of the investment shares of Subfund 2 in the amount of 6.14 %. So, in 2022, the photovoltaic power plants achieved their most successful year so far since the start of operation from the point of view of production, and their high operating figures thus "compensated" for the unfavorable macroeconomic environment manifested by the growth of discount rates as well as for the turbulence in the form of unexpected changes related to the government's impact on the energy markets in the last months. Assets that have been left in Subfund 1 are, from the point of view of asset management, managed in accordance with the strategy of the "side pocket" project so that in the shortest possible time they will reach a state where they can also be transferred to the property of Subfund 2 in accordance with their market value. The as yet unaudited appreciation of Subfund 1 reached 5.38 %, i.e. slightly below the target value of 6 %.

During the autumn of 2022, one of the shareholders of Subfund 1, the company Wiener Privatbank SE, filed a motion with the competent court to assess the validity of the decision of the general meeting of Subfund 1 dated June 23, 2022, to adopt a new wording of the articles of association enabling the payment of a share of the liquidation balance also in non-monetary form (i.e. payment of the liquidation balance in the form of Subfund 2 shares).

We respond to the aforementioned situation by deciding to postpone the payment "in kind" in the form of investment shares of Subfund 2 indefinitely, or until the date of final confirmation of the validity of the decision of the Subfund's general meeting. If the advance payment for the share of the liquidation balance in non-monetary form were subsequently declared invalid by the court, a situation could probably arise which, in the event of subsequent redemption of the shares acquired in this way within Subfund 2, could no longer be completely recovered and the resulting damage would apply to the Subfund 1. Both the manager as well as Subfund 1 approach the whole situation with maximum legal precision and proper care. For this purpose, both an internal and an external legal analysis were prepared, which confirmed that it cannot be ruled out with certainty that the court, in view of the absence of rules

regarding the liquidation of the SICAV sub-fund, may question the conclusions that were approved at the general meeting. The manager will therefore proceed very cautiously and with maximum care in his next steps.

As of January 31, 2023, Subfund 1 will pay its shareholders an advance for a share of the liquidation balance in money (not in the form of Subfund 2 shares), in the amount according to the processed cash-flow analysis of Subfund 1 so that the legal condition of liquidation, i.e. payment advances for a share of the liquidation balance within 6 months of entry into liquidation is fulfilled and the operation of projects in Subfund 1 is not threatened. The Subfund will pay the next advance for the share of the liquidation balance in the form of "in kind" shares of Subfund 2 as soon as it is legally possible and the decision of the general meeting of June 23, 2022 is confirmed. Subfund 1 therefore continues to hold investment shares of Subfund 2 in the value of approximately CZK 1.3 billion, the performance of which until the exchange positively affects the appreciation of the investment shares of Subfund 1.

We will continue to inform you about further developments.

With respect,

REDSIDE investiční společnost, a.s.