1. Summary

The ALFI Renewables Ltd., ALFI Green II, Specialised Investment Fund, LP (ALFI Green II), is an alternative investment fund focused on the development, construction, and operation of renewable energy projects, specifically those generating electricity from wind and solar sources, investing also in battery energy storage systems (BESS).

In addition to pursuing strong economic performance, the Fund ensures that with each new project, the investment also promotes environmental characteristics, as electricity generation contributes to the environmental objective of climate change mitigation. The investment strategy of focusing on wind and solar power generation projects also aims to increase the share of electricity generated from renewable sources in Southeast Europe, thereby reducing dependence on fossil fuels in the region while simultaneously lowering greenhouse gas emissions at both local and global levels.

In its investments, the Fund will target projects located in areas with above-average long-term wind or solar resources, employ best-in-class equipment, and apply market-leading construction standards, thereby achieving the highest possible electricity output at each site. Each project must also constitute an acceptable and proportionate intervention in the environment relative to any identified potential adverse impacts. As a result, every operational power plant will aim for optimal business performance in terms of electricity production and sales while achieving maximum impact in reducing carbon dioxide emissions from electricity generation, corresponding to the output of each ALFI Green II-owned facility.

The Fund will measure the impact of its investments, with the aim to promote environmental characteristics and climate change mitigation, by recording the electricity produced by each project and in aggregate and, using the host country's emissions factor, calculating the reduction in carbon dioxide emissions associated with the equivalent electricity output. In addition, the Fund will disclose how many households could be supplied annually by the electricity generated by each project and by the portfolio as a whole. The Fund has access to extensive production data for its investments and will rely on official, highly reliable external data sources for other required information, thereby ensuring high reliability of the published results.

ALFI Green II will ensure that every investment complies with the Fund's strategy, objectives, standards, and criteria at each stage: during project assessment, at the investment decision, and post-investment throughout development, construction, and operations. Internal policies and defined operating procedures with clear roles and responsibilities ensure the effective identification of potential adverse impacts, alignment of projects with the Fund's objectives, and investment management focused on successful project execution, efficient plant operations, and optimal outcomes in terms of climate change mitigation. In addition, before committing to a project and while monitoring activities throughout its lifecycle, the Fund will engage independent advisors with international credentials to ensure high standards in potential assessment and investment management.

In its Fund Management Rules, ALFI Green II defines an engagement and conduct policy for the companies that manage its investments. The described engagement policy is not part of the sustainable investment objective.

ALFI Green II invests exclusively in electricity generation assets powered by onshore wind and solar, investing also in battery energy storage systems (BESS). Each completed investment constitutes also a full effect of promotion of the mentioned environmental objective. No index has been designated as a reference benchmark.

2. No sustainable investment objective

The financial product of ALFI Green II promotes environmental characteristics, that is climate change mitigation, while the objective of the fund is not sustainable investment.

At ALFI Green II, in line with our investment strategy and Fund policy, we direct our capital to projects whose primary objective is the development, construction, and operation of renewable electricity generation assets, exclusively solar (photovoltaic) and onshore wind, investing also in battery energy storage systems (BESS).

In formulating its investment strategy and policy, ALFI Green II has taken into account, among other things, the sustainable nature of its investments and, in particular, the impacts on sustainability that the Fund's investments may have. Methods for integrating sustainability risks into investment decisions have therefore been embedded into ALFI Green II's operating procedures and investment monitoring processes. We have also established a transparent system for assessing and disclosing the likely impacts of sustainability risks on the Fund's investments.

According to the Fund's strategy and objectives, the financial product is not directed to invest exclusively in sustainable investment objective, even though the majority of the fund's investments will represent sustainable investments, as electricity generation represents an economic activity that contributes to an environmental objective as defined in Article 2(1), point 17 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR Regulation). We also assess that the Fund's investments aim to mitigate climate change, as defined in point (a) of Article 9(1) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending the SFDR Regulation (Taxonomy Regulation).

Within its operating procedures, ALFI Green II considers the indicators set out in the statement on principal adverse impacts of investment decisions on sustainability factors, focusing its monitoring efforts on those most relevant to the types of investments the Fund makes. ALFI Green II invests exclusively in electricity generation projects using photovoltaic and onshore wind energy, while monitoring their impact on greenhouse gas emissions, biodiversity, waste generation, and workers' rights. At ALFI Green II, we do not align our operations with the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human rights.

3. Environmental or social characteristics of the financial product

ALFI Green II invests exclusively in the development, construction, and operation of photovoltaic power plants and onshore wind farms, investing also in battery energy

storage systems (BESS). Electricity generation from these renewable energy sources is an economic activity considered environmentally sustainable under the EU Taxonomy. The Fund's financial product does not pursue a sustainability objective in the sense of a social objective. With the mentioned investments ALFI Green II promotes environmental characteristics and climate change mitigation, in fact, every functioning investment or project is contributing to the increase of the share of off-taken electric energy produced by renewable sources and thus decrease the need for electric energy produced by other sources.

4. Investment strategy

For all its investments in photovoltaic and wind power plants, but also in BESS projects, ALFI Green II conducts extensive project suitability assessments prior to investment, in line with operating procedures and rules that govern internal business processes, data collection, evaluations, and investment decision-making.

Following a preliminary project assessment that addresses both economic and sustainability aspects, the Fund decides, based on internal evaluations and the opinions of recognized independent experts, whether to proceed with the investment, under what conditions, and in what form. Before making an investment decision, all important sustainability factors are assessed on the basis of internal analyses and external expert opinions, including the project's alignment with the Fund's sustainability objectives, the presence, scale, and mitigation of potential adverse impacts, as well as projected generation capacity and the resulting impact on carbon dioxide emissions in the host country, taking into account all relevant sustainability risks.

In all its investments, the Fund selects best-in-class technology to pursue its business objective of building top-quality renewable electricity generation assets, which translates into a high level of operational reliability and electricity output, and ultimately into a higher asset value. This approach also delivers optimal impact in terms of reducing carbon dioxide emissions from the electricity supplied to the grid and end users. Each investment is therefore designed to maximize the available wind or solar resource at the chosen site, based on the latest technology and maintenance standards, thereby contributing not only to asset value but also to greater progress toward the stated environmental objectives.

ALFI Green II executes each investment in accordance with established market practices, with every investment held through a special-purpose vehicle (SPV) created solely for the specific project. Under its strategy and internal rules, the Fund must secure a controlling interest in the SPV or otherwise protect its rights, ensuring that no material decisions regarding the investment can be made without the Fund's consent as owner. This guarantees direct operational control over the investment, full access to all information related to development, construction, and operations, and the final authority over all material decisions concerning the project. It includes also the possibility to direct the decision-making process in the company owning the facility and enforcing the principles of the Code of Conduct of the ALFI Group in relation to the relations with employees, income policy and the fulfillment of tax obligations.

5. Proportion of investments

All ALFI Green II investments are investments which promote environmental characteristics, but there is no aim to invest exclusively in sustainable investments. Nevertheless, we envisage the rate of sustainable investments with the aim of climate change mitigation and also in line with EU Taxonomy will represent 90 % of all investments of the fund.

6. Monitoring of environmental or social characteristics

ALFI Green II has defined a single life cycle for its financial product, which may be extended subject to the conditions set out in the rules. Within this life cycle, ALFI Green II measures — in accordance with internal rules, operating procedures, and adopted resolutions — the impact of investments in the operational phase, in which the functioning and electricity generation contribute to the predefined environmental objective of climate change mitigation.

For investments that are operational, ALFI Green II regularly measures the amount of electricity generated and, based on relevant factors, quantifies the impact of each investment on reducing carbon dioxide emissions. This reduction is calculated relative to the lower demand for electricity produced from other sources that do not necessarily use renewable energy.

To determine this figure, the emission factor for electricity generation in the country where the ALFI Green II investment operates is taken into account. The emission factor represents the amount of carbon dioxide released into the atmosphere in a certain country when producing a given amount of electricity. This means that the factor reflects the specific energy mix present in each country, while the electricity produced by an ALFI Green II investment displaces the need for the same amount to be generated from all other sources, thereby avoiding the production of a certain amount of carbon dioxide emissions.

In addition, the Fund Manager compares the measured quantity of electricity generated with the consumption of a standardized average electricity consumer. In this way it is possible to determine how many households' annual electricity needs could be supplied by an ALFI Green II investment, or by all ALFI Green II investments in operation combined.

Measurements are recorded regularly and, where technically feasible, are continuously available. Calculations are performed on an annual and semi-annual basis.

In addition to performing the aforementioned measurements, it should be emphasized that the Fund Manager has established numerous data-collection and data-assessment procedures to ensure the sustainable nature of investments and to appropriately identify and address potential adverse impacts in the pre-investment and investment phases, as well as during the monitoring of the development, construction, and operation of investments. At each specific stage of the investment lifecycle, the duties of the Sustainability Officer, the Risk Manager, the Investment Manager, and other specialists are prescribed.

ALFI Green II does not have external oversight in place for potential adverse impacts and sustainability metrics across all investments. Such oversight is introduced on an

exceptional basis when warranted and reasonable given the scale, nature, and technology used in the project or investment. In such cases, an independent third party with international credentials is engaged to assess the environmental, social, and governance aspects of the investment, prepare a plan of measures to mitigate adverse impacts, and monitor the implementation of the proposed measures.

7. Methodologies for environmental or social characteristics

To track the impact of ALFI Green II's investments on climate-change mitigation, the Fund Manager will record the amount of electricity generated by the wind or solar power plant over a given period and, for that amount of electricity, quantify the reduction in carbon dioxide emissions required to produce the same amount of electricity. The calculation assumes zero emissions for the Fund's renewable energy facilities and compares this with the amount of carbon dioxide released when producing the same quantity of electricity in the country where the plant operates, using the most recent published annual emission factor for electricity generation in that country. The calculation is performed for each operating plant individually and for all of the Fund's plants in aggregate.

In addition, the Fund Manager calculates the total amount of electricity generated by the Fund's investments that qualifies as renewable energy, as all of the Fund's projects produce electricity from onshore wind or solar photovoltaic power. Beyond reporting total output — expressed in kilowatt-hours or megawatt-hours — the Manager also calculates the ratio between the electricity generated by the investments and the annual consumption of an average household in the country where the power plant is located. Accordingly, the amount of electricity generated will also be expressed as the number of household consumers that could be supplied on an annual basis with such an amount of electricity, based on the standard annual consumption of such a consumer.

8. Data sources and processing

The quantity of electricity generated at all operating plants owned by ALFI Green II is measured by appropriate certified devices installed at the plant's grid connection point to the electricity distribution or transmission network. The devices are certified, tamper-sealed, and owned by the electricity distribution or transmission system operator. Each plant owner can access these data once all necessary arrangements with the operator have been completed and the plant has commenced trial operation. Data are recorded and stored typically in fifteen-minute intervals, giving the plant owner a very detailed insight into the plant's production activity. The Fund has access to all of these data for all of its operating investments.

In addition, the plant owner also has access to data measured by meters on internal networks and all other detailed information on the plant's operation. At ALFI Green II, we conduct regular, in-depth inspections and analyses of power plant operations from both technical and economic perspectives, and all weather and other events affecting the plant's generation and operations are recorded. Together with the data from the grid-connection metering points, the plant owner, and therefore the Fund, has a comprehensive view of the plant's operating history at virtually any point in time, enabling the preparation of analyses over periods ranging from very short to extended timeframes.

When calculating the emission factor for the countries where investments are located, ALFI Green II primarily relies on highly reliable, official data sources published by competent market regulators (e.g., energy regulatory agencies or authorities responsible for these areas) or national statistical offices. If such sources do not provide emission factor data or the information needed to calculate it, credible international sources publishing data for the countries where the Fund's investments are located must be used. In current calculations, ALFI Green II uses exclusively publicly available data from competent regulators (such as Slovenia's Energy Agency or the Statistical Office of the Republic of Slovenia). This includes emission factors, national electricity generation volumes, volumes of carbon dioxide emissions from electricity generation, and data on the electricity consumption of a standard average household.

Data for the above calculations are processed and calculated annually and semi-annually. The Sustainability Officer verifies every six months whether the calculations have been performed and whether they have been performed in accordance with internal rules and procedures.

9. Limitations to methodologies and data

In obtaining information on power generation and plant operations, the level of data reliability, readability, and accessibility is very high; therefore, we reasonably conclude that there are no significant limitations, shortcomings, or doubts regarding the accuracy of the available and accessible data on electricity production. Due to measurements at multiple locations and devices owned and managed by different entities, in the event of unexpected or outlier values it is always possible to verify whether an error occurred, during which time period, and at which measurement location.

With regard to other data, ALFI Green II relies on the credibility of the data source, which makes it essential to select sources that are trustworthy — typically public law entities whose activities are highly regulated and which serve as quasi-official sources for calculations. Nevertheless, in calculations, our experts preliminarily verify the data and, if necessary, compare it with similar publicly available sources and also perform value calculations based on data and calculation methods commonly used in the industry to obtain specific data.

As a result, the Fund considers that the reported reduction in carbon dioxide emissions associated with the production of a given amount of electricity in a particular country is a realistic estimate of the impact of its investments. This also applies to the comparison of generated electricity volumes with household consumption needs, which demonstrates the number of households that could be supplied with electricity generated by the Fund's investments.

10. Due diligence

At ALFI Green II, internal policies and established procedures ensure that at every stage, all investments initiated, developed, and managed by the Fund take expected due dilignece into account and carry out internal and external controls, both in terms of potential adverse impacts and risks related to sustainability, as well as the inherent nature of the investment itself, which must represent a sustainable project with expected, efficient electricity generation and a measurable contribution to climate change mitigation.

For each project that the Fund evaluates as a potential investment, a preliminary assessment is first conducted. Following this preliminary evaluation, which includes both economic and sustainability factors, the Fund makes an investment decision based on internal analyses, assessments by recognized independent experts if necessary, and a pre-investment proposal, determining whether to proceed with the investment, under what conditions, and in what form. Before any investment decision is made, all significant sustainability aspects are assessed, including the investment's alignment with the Fund's sustainability objectives, the existence, scale, and mitigation of potential adverse impacts, as well as projected production capacity and the expected impact on CO_2 emissions in the country where the investment will be located, taking into account all sustainability-related risks.

Before committing to an investment, numerous sustainability-related aspects are reviewed by the Sustainability Officer, Risk Manager, and Investment Manager. Due diligence is then conducted, which, for larger projects, includes a dedicated report on environmental and other sustainability aspects, while for smaller investments, environmental permits and compliance with legislative requirements are mandatory. After the investment decision is made and particularly following the start of construction, the Sustainability Officer, in cooperation with the Investment Manager, regularly monitors the plant's performance with special attention to any actual adverse impacts, operational results, and the project's contribution to climate change mitigation (in particular, its impact on carbon dioxide emissions), and determines whether operating procedures and tasks need to be adjusted for the specific investment or across the portfolio.

These procedures are detailed in the Fund's internal policies (including Fund Management Rules, sustainability risk management operating procedures, due diligence guidelines, risk management policies, and procedures) and therefore guide the actual procedures and activities carried out in practice. Sustainability aspects are also disclosed in the Fund's annual report in accordance with applicable legislation.

11. Engagement policies

In its Fund Management Rules, ALFI Green II defines an engagement and conduct policy for the companies that manage its investments. This is also described in detail in the statement on Principal Adverse Impacts of investment decisions on sustainability factors. The described engagement policy is not part of the sustainable investment objective. Through its controlling influence, or through mandatory protection of its essential rights in the companies managing the investments, ALFI Green II ensures the promotion of environmental characteristics, the consideration of any adverse impacts, and the management of each investment in accordance with the established strategy and operating procedures.

12. Designated reference benchmark

ALFI Green II invests exclusively in electricity generation assets powered by onshore wind and solar, investing also in battery energy storage systems (BESS). Each completed investment promotes the chosen environmental characteristic and climate change mitigation. Any investment in a project that does not meet the stated criteria is not permitted and would constitute a breach of the Fund's rules. The financial product therefore promotes environmental characteristics with each

investment in a wind and solar power plant project or BESS. No index has been designated as a reference benchmark.