

Since inception, the fund has achieved a net return of 10.1% in both CZK and EUR share class. We have been successful in improving the performance of the agricultural companies we own, which has led to a significant increase in the value of the assets in the fund. We expect to see new transactions in 2023 in light of the change in subsidy policy, which, combined with the macroeconomic environment, will put pressure on farm economics and thus cause a decline in their valuations.

Despite high inflation, which has pressured input prices, our farms have performed very well in recent months. In the case of Agropol Stary Pelhrimov, the reasons were mainly the rise in electricity prices, milk prices and the increase in milk yields. AGROWILD Nova Ves managed to start the process of replacing the basic herd, which should result in improved herd quality and thus higher yields in the coming years. We have also successfully made capital investments in equipment renewal (new tractors, biogas plant engine) or stall renovations that will lead to long-term cost savings.

The end of the year was marked by preparations for the new agricultural policy and the related changes in agricultural subsidies. These changes will negatively affect our farms in some areas, but they should be offset by higher other subsidies (e.g. for precision farming).

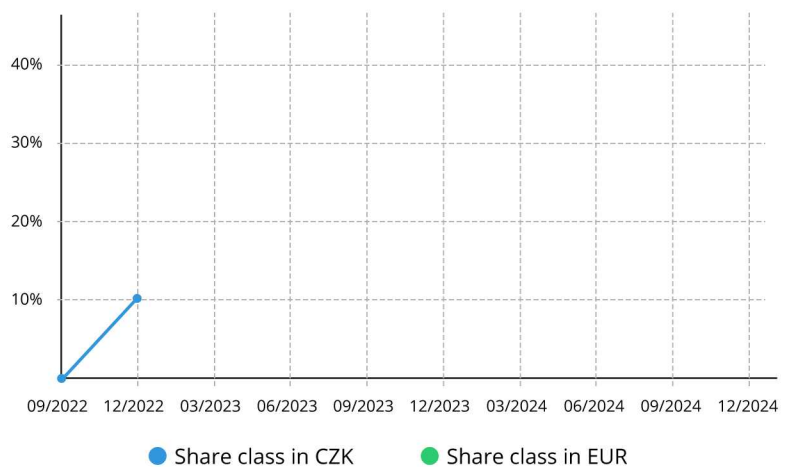
In 2023, we plan to further expand our acreage under tenancy, which will allow us to increase our yields and take advantage of economies of scale. We also plan to invest in solar panels on the roofs of buildings to achieve a reduction in operating costs.

In terms of new acquisitions, we have several farms in our sights that we would like to take an equity stake in. We are participating in tenders and also talking to several owners on a bilateral basis. Our target for 2023 is to buy 2 more farms.

PERFORMANCE AS OF 31.12.2022

Performance since inception (01.07.2022):

Share class in CZK	10,1%
Share class in EUR	10,1%
Share price in CZK	CZK 1,1008
Share price in EUR	EUR 1,1008





ABOUT THE FUND

Verdi Agro Fund is the first fund on the Czech market that offers qualified investors the opportunity to invest in farms and agricultural primary production. The uniqueness of the Fund lies in the fact that it does not invest only in agricultural land, but mainly in farms in the Czech Republic with the aim of their modernisation and further development.

The Fund currently owns shares in two farms in the Czech Republic, which together operate on more than 2,300 hectares of land. They are engaged in crop and livestock production or electricity generation from a biogas plant.

FUND STRATEGY

- » The Fund's strategy is to **purchase and modernise** farms in the Czech Republic and Slovakia.
- » Our goal is to **preserve the tradition of agricultural production** in the Czech and Slovak region.
- » We strive for a **balanced economic growth with an emphasis on sustainability** and respect for the environment.
- » In the coming years, we plan to raise capital from investors worth **EUR 50 million**.
- » In combination with bank financing, we plan to invest up to **EUR 100 million**.

INVESTMENT TERMS

Legal form	Investment company with variable capital (SICAV)
Fund type	Qualified investor fund
Fund domicile	Czech Republic
Underlying assets	Agricultural farms and cultivated land
Type of security	Bearer share
Investment horizon	5 years
Minimum investment	CZK 1,000,000 / EUR 50,000
Manager and administrator	Winstor investicni spolecnost a.s.
Depository	ČSOB
Auditor	PwC
Frequency of subscription/redemption	Quarterly

