Translation *)

Caucasus Nature Fund (CNF) rechtsfähige Stiftung des bürgerlichen Rechts Frankfurt am Main

Audit opinion on the audit of the annual financial statements as of December 31, 2022

*) German version prevails

INDEPENDENT AUDITOR'S CERTIFICATE

To Caucasus Nature Fund (CNF), foundation with legal capacity under civil law, Frankfurt am Main

Audit opinion

We have audited Caucasus Nature Fund's (CNF), a foundation with legal capacity under civil law, annual financial statements, comprising the balance sheet, the income statement and the notes to the annual financial statements including the presentation of accounting and valuation methods, for the fiscal year from January 1, 2022, through December 31, 2022.

According to our assessment based on our audit's findings, the attached annual financial statements comply, in all material respects, with the requirements pursuant to German law and the Articles of Association's supplementary provisions and provide, by taking into account German generally accepted accounting principles, a true and fair view of the Foundation's assets and financial position as of December 31, 2022 and of its profit situation for the fiscal year from January 1, 2022 through December 31, 2022.

Pursuant to Art. 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the annual financial statements' legal compliance.

Basis for our audit opinion

We have conducted our audit of the annual financial statements in accordance with Art. 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*; "IDW"). Our responsibilities pursuant to these requirements and principles are further described in the section "Auditor's responsibilities for the audit of the annual financial statements" in our audit certificate. We are independent from the Foundation in accordance with the requirements pursuant to German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinion expressed on the annual financial statements.

Legal representatives' responsibilities for the annual financial statements

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements pursuant German commercial law and the Articles of Association's supplementary provisions and that the annual financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the Foundation's net assets, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have determined as being

necessary in order to provide for the preparation of annual financial statements that are free from material misstatements, whether due to fraud (i.e., manipulation of accounting and property damage) or error.

When preparing the annual financial statements, the legal representatives are responsible to assess the Foundation's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the continuation as a going concern. Furthermore, they are responsible for financial reporting based on the going concern principle unless otherwise required due to actual or legal circumstances.

Auditor's responsibilities for the audit of the annual financial statements

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from any material misstatements, whether due to fraud or error, as well as to issue an audit certificate that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Art. 317 HGB and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the IDW will always detect any material misstatement. Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the entire audit. We also:

- identify and assess the risks of material misstatements in the annual financial statements, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting any material misstatements resulting from fraud is higher than the risk of not detecting any material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of the internal control system relevant for the audit of the annual financial statements in order to plan audit procedures being appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems;

- evaluate the appropriateness of accounting methods applied by the legal representatives and the reasonableness of estimates made by the legal representatives as well as the related disclosures;
- draw conclusions on the appropriateness of the going concern principle applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty in connection with events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in the audit certificate to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit certificate. However, future events or conditions may cause the Foundation to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements provide, by taking into account German generally accepted accounting principles, a true and fair view of the Foundation's assets, liabilities, financial position and profit situation.

We discuss with the supervisors, inter alia, the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system we identify during our audit.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the extended audit of the annual financial statements pursuant to Art. 12 (3) of the Hessian Foundation Act (StiftG Hess)

We have audited the preservation of the Foundation's assets as of the balance sheet date, December 31, 2022, and the use of the Foundation's funds in accordance with its Articles of Association for the fiscal year from January 1, 2022, through December 31, 2022.

According to our assessment, the Foundation's assets were preserved in real terms as of the balance sheet date December 31, 2022. The Foundation's funds were used as intended in the fiscal year from January 1, 2022, through December 31, 2022.

We conducted our audit in accordance with Art. 12 (3) of the StiftG Hess and the International Standard on Assurance Engagements (ISAE) 3000 (Revised). Accordingly, we, as an auditing firm, apply the requirements of the IDW Quality Assurance Standard: Requirements for Quality

Assurance in Auditing Practice (IDW QS 1). We have complied with the professional duties pursuant to the German Auditors' Code and the professional statutes for auditors/sworn accountants, including the requirements for independence. Our responsibility pursuant to these rules and principles is further described below. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinions.

The legal representatives are responsible for the preservation of the Foundation's assets and the use of the Foundation's funds in accordance with the Articles of Association, as well as for the arrangements and measures (systems) they have deemed necessary for this purpose.

Our objective is to obtain reasonable assurance as to whether the Foundation's assets have been preserved as of the balance sheet date and the Foundation's funds have been used in accordance with the Articles of Association during the fiscal year in all material respects, and to issue an audit certificate that includes our audit opinion on the preservation of the Foundation's assets and the use of the Foundation's funds in accordance with the Articles of Association. We exercise professional judgment and maintain professional skepticism throughout the entire audit.

Caucasus Nature Fund, Frankfurt am Main
Balance sheet as of December 31, 2022

Assets

	31.12.2022 EUR	31.12.2021 EUR
A. Fixed assets		
I. Intangible assets		
Trademark rights and similar assets	3,755.00	4,196.00
II. Tangible assets		
Factory and office equipment	3,414.17	5,131.17
III. Financial assets		
Securities held as fixed assets	71,090,696.82	55,564,167.86
	71,097,865.99	**55,573,495.03**
B. Current assets		
I. Other assets	**115,770.25**	**5,072,915.42**
II. Bank balances	**14,830,358.78**	**29,509,601.70**
	14,946,129.03	**34,582,517.12**
C. Prepaid expenses and deferred charges	**0.00**	**750.00**
	86,043,995.02	**90,156,762.15**

Liabilities

	31.12.2022 EUR	31.12.2022 EUR	31.12.2021 EUR	31.12.2021 EUR
A. Equity				
I. Foundation capital				
1. Basic assets	7,728,100.00		7,728,100.00	
2. Endowments	22,693,917.91		22,693,917.91	
3. Results from realized asset reclassifications	0.00		603,403.31	
		30,422,017.91		**31,025,421.22**
II. Reserves				
1. Capital reserves	52,507,272.73		55,921,985.85	
2. Retained earnings	2,835,271.32		2,838,445.67	
		55,342,544.05		**58,760,431.52**
III. Funds carried forward		**46,449.50**		**184,542.03**
		85,811,011.46		**89,970,394.77**
B. Provisions				
Other provisions		**232,023.55**		**115,261.49**
C. Accounts payable				
1. Trade payables	0.00		15.87	
2. Other liabilities	960.01		71,090.02	
		960.01		**71,105.89**
		86,043,995.02		**90,156,762.15**

15,526,528.96

Caucasus Nature Fund
Frankfurt am Main
Income statement for the fiscal year from January 1 through December 31, 2022

	2022 EUR	2022 EUR	2021 EUR	2021 EUR
1. Income from investments and other income				
a) Income from investments				
aa) Interest, dividends and similar income	908,929.21		524,642.99	
ab) Income from realized asset reclassifications	373,020.54		1,382,702.08	
		1,281,949.75		1,907,345.07
b) Investment expenses				
ba) Expenses from currency translation	-1,878,964.39		-1,190,918.04	
bb) Fees and other investment expenses	-511,182.21		-300,001.88	
		-2,390,146.60		-1,490,919.92
Net proceeds from investment		**-1,108,196.85**		**416,425.15**
d) Grants and subsidies and other income		454,686.25		459,037.99
Net proceeds		**-653,510.60**		**875,463.14**
2. Project and funding expenses and other expenses				
Direct project support				
a) Funding measures for protected areas	-1,778,422.30		-1,330,731.41	
b) Other funding measures	-490,389.16		-310,080.49	
c) Consulting and other projects	-513,502.45		-435,511.68	
		-2,782,313.91		**-2,076,323.58**
Project development and management		**-380,004.75**		**-292,263.45**
Administrative and other expenses				
a) Administrative expenses	-321,613.59		-234,518.05	
b) Borrowing and advertising expenses	-21,940.46		-13,525.19	
		-343,554.05		**-248,043.24**
Total project and other expenses		**-3,505,872.71**		**-2,616,630.27**
3. Annual net loss		**-4,159,383.31**		**-1,741,167.13**
4. Funds carried forward from the previous year		**184,542.03**		**258,074.42**
5. Withdrawal from reserves for capital endowment		**3,414,713.12**		**1,847,565.72**
6. Withdrawal from the project reserve		**3,174.35**		**2,864.43**
7. Withdrawal of results from realized asset reclassifications to the foundation capital		**603,403.31**		**0.00**
8. Allocation to the free reserve		**0.00**		**-182,795.41**
9. Funds carried forward		**46,449.50**		**184,542.03**

Caucasus Nature Fund (CNF)
Frankfurt am Main

Notes to the annual financial statements for the 2022 fiscal year

General information and notes to the annual financial statements

Caucasus Nature Fund (CNF) was established as a foundation under civil law under the name Caucasus Protected Areas Fund with a foundation deed dated June 1, 2007. It was recognized by the District President on June 25, 2007. The foundation is registered in the foundation register of the Darmstadt Regional Council.

The financial year is generally the calendar year. The annual financial statements as of December 31, 2022 have been prepared in accordance with German commercial law and the Articles of Association's supplementary provisions. The provisions of the German Commercial Code ("HGB") for large corporations (Art. 264 et seq. HGB) have generally been applied with the exception that the Foundation waived the preparation of a management report.

The structure of the balance sheet and income statement takes into account the special features resulting from the Foundation's activities. The income statement has been prepared in accordance with the cost-of-sales method pursuant to Art. 275 (3) HGB, taking into account the special features of foundation law.

Accounting and valuation principles

Compared to the previous year, the classification of income and expenses from investments in the income statement has been adjusted for reasons of clarity. Otherwise, the accounting and valuation methods were applied unchanged from the previous year.

Intangible, tangible and financial assets are valued at acquisition cost in accordance with Art. 255 (1) HGB. In the case of intangible and tangible assets, wear and tear is recognized through scheduled amortization and depreciation based on useful lives recognized under tax law and according to the straight-line method. Financial assets are written down to the lower fair value in the event of a probable permanent impairment. The option of writing down the asset to its lower fair value in the event of an impairment that is not expected to be permanent has not been exercised.

Other assets are recognized at acquisition costs or the lower fair value on the balance sheet date.

Bank balances are recognized at nominal values.

Other provisions included all discernible risks and uncertain liabilities. They are recognized at the settlement amount required pursuant to prudent commercial assessment.

Liabilities have been recognized at their settlement amount.

Business transactions in foreign currency are generally recognized at the exchange rate prevailing on the day of the transaction. Receivables and payables in foreign currency are valued at the exchange rate prevailing on the date of the transaction. Foreign currency items are translated at the balance sheet date using the average spot exchange rate on the balance sheet date in accordance with the provisions pursuant to Art. 256a HGB.

Notes on the balance sheet

The fixed assets' structuring and development are contained in the attached fixed assets analysis.

Of the securities portfolio included in financial assets with a carrying amount of EUR 71,090,696.82 at the end of the reporting year, the following securities are reported above their fair values (market values on the reporting date):

	Nominal value/unit	Book value	Fair value
		EUR	EUR
Bonds			
2.0% Fed. Rep. of Germany|Bond from.2013 (2023)	450.000	451.044,00	450.157,50
0.375% Kreditanst.f.Wiederaufbau|Med.Term Nts. v.15(30)	200.000	189.840,00	165.240,00
1.0% SAP SE|Med.Term Nts. v.2015(25/25)	400.000	400.404,00	388.480,00
1.25% Vonovia Finance B.V.|EO-Medium-Term Nts 2016(16/24)	200.000	205.664,00	189.528,00
Vonovia Finance EMTN (2023-12-15) [DE000A18V146]	200.000	207.704,00	197.592,00
Deutsche Pfandbriefbank (2023-02-07) [DE000A2LQNQ6]	200.000	204.020,00	199.550,00
Vonovia EMTN Sr.35 Tr.1 (2027-06-16) [DE000A3E5MG8]	300.000	300.121,00	246.135,00
Bayerische Landesbank (2028-02-10) [DE000BLB6JJ0]	300.000	298.830,00	246.516,00
Commerzbank EMTN Sr.961 (2027-09-01) [DE000CZ45V82]	250.000	252.332,50	216.152,50
1.125% Unibail-Rodamco-Westfield SE|EO-Medium-Term Nts 2018(18/25)	200.000	204.470,00	185.694,00
Unibail-Rodamco EMTN (2027-02-27) [FR0013405032]	300.000	318.270,00	261.681,00
Worldline (2024-09-18) [FR0013448032]	400.000	399.966,00	369.480,00
Unibail-Rodamco-Westfield EMTN (2025-04-09) [FR0013506813]	200.000	212.600,00	186.460,00
1.625% Capgemini SE|EO-Notes 2020(20/26)	200.000	203.168,00	182.960,00
Teleperformance (2027-11-26) [FR0014000S75]	300.000	299.405,00	246.450,00
BNP Paribas (2027-04-13) [FR0014002X43]	200.000	199.614,00	165.920,00
Credit Agricole (2028-04-20) [FR0014003182]	200.000	200.860,00	164.260,00
0.875% Sanofi S.A.|EO-Medium-Term Nts 2022(22/25)	400.000	398.864,00	373.880,00
Italy (2023-10-15) [IT0005215246]	150.000	152.074,50	147.562,50
2.2% Cisco Systems Inc.|DL-Notes 2016(16/23)	300.000	300.972,59	277.092,03
3.125% Landwirtschaftliche Rentenbank|DL-Inh.-Schv.Global 38 v18(23)	300.000	278.540,35	276.771,84
Croatia (2025-03-11) [XS1117298916]	200.000	227.242,00	199.340,00
Merck (2074-12-12) [XS1152343668]	200.000	218.800,00	196.484,00
1.0% ABN AMRO Bank N.V.|EO-Medium-Term Notes 2015(25)	400.000	399.644,00	382.936,00
MERLIN Properties EMTN Sr.1 (2023-04-25) [XS1398336351]	150.000	159.510,00	149.325,00
Koninklijke MTN Sr.1 (2028-09-11) [XS1485533431]	200.000	209.140,00	172.080,00
LEG Immobilien (2024-01-23) [XS1554456613]	300.000	311.400,00	289.059,00
0.875% Elisa Oyj|EO-Med.-Term Notes 2017(23/24)	400.000	406.276,00	387.632,00
0.934% Sumitomo Mitsui Financ. Group|EO-Medium-Term Notes 2017(24)	200.000	204.896,00	191.546,00
Covivio (2024-10-17) [XS1698714000]	300.000	320.166,67	293.010,00

	Nominal value/unit	Book value	Fair value
Euronext (2025-04-18) [XS1789623029]	300.000	310.873,50	281.307,00
SoftBank Group (2023-04-20) [XS1811213781]	270.000	280.980,00	269.325,00
Netflix (2027-05-15) [XS1821883102]	200.000	232.800,00	191.810,00
Sumitomo Mitsui Financial Group EMTN (2023-07-23) [XS1839105662]	200.000	199.000,00	198.024,00
Chile (2031-07-02) [XS1843433639]	400.000	389.060,00	312.500,00
Nasdaq (2029-03-28) [XS1843442622]	180.000	196.228,80	156.601,80
SKF (2025-09-17) [XS1877892148]	300.000	314.508,00	279.435,00
Amadeus IT Group (2023-09-18) [XS1878191052]	200.000	200.688,00	196.800,00
Romania (2026-12-08) [XS1934867547]	150.000	161.550,00	135.900,00
Becton Dickinson Euro Finance (2026-06-04) [XS2002532724]	340.000	354.227,00	311.436,60
Deutsche Bahn Finance FTFN (2025-01-22) [XS2010039035]	300.000	304.812,00	266.121,00
0.75% BMW Finance N.V.|EO-Medium-Term Notes 2019(26)	200.000	186.398,00	184.460,00
HeidelbergCement Finance Luxembourg (2027-12-01) [XS2018637327]	290.000	304.960,40	258.842,40
DH Europe Finance (2026-03-18) [XS2050404636]	315.000	314.502,50	283.956,75
Infineon Technologies (2025-03-31) [XS2056730323]	300.000	312.606,00	278.610,00
Stryker (2024-12-03) [XS2087622069]	300.000	301.799,00	281.973,00
Stryker (2029-03-01) [XS2087639626]	270.000	274.591,74	225.088,20
0.75% Intesa Sanpaolo S.p.A.|EO-Pref.Med.-Term Nts 2019(24)	400.000	391.756,00	379.364,00
RELX Finance (2028-03-10) [XS2126161764]	230.000	233.804,20	193.660,00
Prosus (2028-08-03) [XS2211183244]	270.000	273.855,00	218.200,50
KION GROUP (2025-09-24) [XS2232027727]	300.000	313.024,00	262.587,00
Aroundtown EMTN (2026-07-16) [XS2273810510]	300.000	294.234,00	205.422,00
Goldman Sachs Group EMTN (2028-01-26) [XS2292954893]	300.000	297.772,00	246.429,00
0.0% Kreditanst.f.Wiederaufbau|Med.Term Nts. v.21(29)	400.000	386.480,00	329.660,00
Fedex (2029-05-04) [XS2337252931]	230.000	231.538,70	181.794,30
0.375% Aroundtown SA|EO-Med.-Term Notes 2021(21/27)	400.000	387.296,00	259.716,00
0.925% UniCredit S.p.A.|EO-FLR Preferred MTN 22(27/28)	400.000	399.040,00	345.280,00
	15.745.000	**15.984.223,45**	**14.133.277,92**
Shares			
Givaudan AG [CH0010645932]	30	113.146,85	86.257,99
Roche Holding AG [CH0012032048]	310	102.868,32	91.398,56
Sonova Holding AG [CH0012549785]	441	123.758,62	98.154,17
EMS-CHEMIE Holding AG [CH0016440353]	115	92.437,03	73.064,04
Schindler Holding Ltd. [CH0024638196]	395	91.631,14	69.715,32
Kuehne + Nagel International AG [CH0025238863]	605	135.052,73	132.138,43
Geberit AG [CH0030170408]	175	107.718,85	77.349,54
Swiss Re AG [CH0126881561]	925	85.829,33	81.187,46
Straumann Holding AG|registered shares SF 0,01	950	135.175,79	101.816,71
LANXESS AG|no-par value bearer shares	1.500	87.932,56	56.550,00

	Nominal value/unit	Book value	Fair value
Deutsche Post AG [DE0005552004]	5.040	212.299,51	177.307,20
SAP SE|no-par value bearer shares	1.680	166.855,27	161.935,20
Allianz SE|no-par value reg. shares with restricted transferability	900	188.011,90	180.810,00
Siemens Healthineers AG [DE000SHL1006]	1.430	73.502,50	66.823,90
Elisa Oyi [FI0009007884]	1.890	98.113,51	93.479,40
L'Oreal S.A. [FR0000120321]	430	162.117,28	143.448,00
Bouygues S.A. [FR0000120503]	3.180	104.472,42	89.167,20
Schneider Electric S.A. [FR0000121972]	1.365	206.867,02	178.432,80
Cap Gemini S.A. [FR0000125338]	400	67.733,51	62.380,00
Unibail-Rodamco-Westfield SE [FR0013326246]	640	60.946,76	31.123,20
Spirax-Sarco Engineering PLC [GB00BWFGQN14]	960	131.859,73	114.821,41
Swire Properties Ktd. [HK0000063609]	23.000	60.795,18	54.832,31
Techtronic Industries Co. Ltd. [HK0669013440]	9.500	114.235,07	99.428,03
Smurfit Kappa Group PLC|Registered Shares EO -,001	2.385	115.671,19	82.580,76
Shimano Inc. [JP3358000002]	525	101.445,82	78.048,61
Toyota Industries Corp. [JP3634600005]	1.400	87.355,66	72.029,56
Fanuc Ltd. [JP3802400006]	500	87.246,33	70.476,83
BROTHER INDUSTRIES LTD. [JP3830000000]	6.330	99.114,75	90.280,77
Astellas Pharma Inc. [JP3942400007]	4.600	69.828,22	65.590,53
Euronext N.V. [NL0006294274]	1.275	104.597,97	88.179,00
ASML Holding N.V. [NL0010273215]	510	281.341,35	256.938,00
Getinge Industrier AB B [SE0000202624]	2.800	81.884,93	54.476,77
Hexagon AB [SE0015961909]	6.800	73.492,28	66.670,26
Atlas Copco AB|registered shares A SK-,052126	14.720	187.590,31	162.990,63
Ascendas Real Estate Investment Trust [SG1M77906915]	45.700	89.593,62	86.134,73
Singapore Telecommunications Ltd. [SG1T75931496]	28.000	53.318,26	49.812,20
Adobe Systems Inc. [US00724F1012]	280	112.048,33	88.220,58
Applied Materials Inc. [US0382221051]	1.625	175.228,56	148.153,26
Ball Corp. [US0584981064]	1.500	106.817,41	71.819,12
Best Buy Co. Inc. [US0865161014]	1.120	94.752,03	84.107,48
Booking Holdings Inc. [US09857L1089]	45	87.090,72	84.905,53
Borgwarner Inc. [US0997241064]	4.325	175.242,02	162.982,16
Centene Corp.|Registered Shares DL -,001	2.235	178.451,00	171.605,98
Cisco Systems Inc. [US17275R1023]	2.450	114.867,35	109.276,28
Fortinet Inc.|Registered Shares DL -,001	1.500	92.431,03	68.659,30
JP Morgan Chase & Co. [US46625H1005]	1.160	165.212,60	145.638,05
Lam Research Corp. [US5128071082]	195	88.280,63	76.732,98
Masco Corp. [US5745991068]	1.730	91.490,65	75.591,33
NVIDIA Corp.|Registered Shares DL-,001	460	102.585,55	62.938,30
PayPal Holdings Inc. [US70450Y1038]	1.155	216.373,01	77.014,42
Stanley Black & Decker Inc. [US8545021011]	615	98.518,53	43.253,25

	Nominal value/unit	Book value	Fair value
Taiwan Semiconductor Manufacturing Co. Ltd. (Sp. ADRs) [US8740391003]	1.090	107.739,93	76.017,32
Verisign Inc. [US92343E1029]	465	93.375,55	89.438,82
	193.356	**6.256.346,46**	**5.182.183,68**
Funds			
Georgia Capital PLC [GB00BF4HYV08]	6.000	51.183,42	49.352,11
iShsIII-EO Gov.Bd 0-1yr U.ETF|no-par value registered shares	31.973	3.090.820,32	3.071.930,67
Muzinich Enhancedyield Short-Term Fund Hedged EUR [IE00B68XV540]	31.761	2.850.657,21	2.492.920,89
iShares III PLC - iShares MSCI Target UK Real Estate UCITS ETF [IE00BRHZ0398]	18.430	102.660,36	87.579,36
SPDR FTSE EPRA Europe ex UK Real Estate UCITS ETF [IE00BSJCQV56]	14.395	392.496,03	333.558,06
Assenagon Credit SubDebt and CoCo I [LU0990655838]	3.319	2.815.027,97	2.728.981,37
Candriam Bonds Credit Opportunities I (q) [LU1269889314]	2.115	3.002.931,78	2.765.975,85
Cape Capital - Cape Select Bond Fund Institutional A Fonds [LU1968841145]	30.950	3.079.616,55	3.075.192,00
		15.385.393,64	**14.605.490,31**
Other securities			
Crown European Privat Debt II SCSp		977.710,00	953.940,00
Generation IM Asia Equity Fund A33		1.932.354,16	1.660.552,39
Cibus Enterprise Fund II LP		706.057,48	682.501,64
Brookfield BID EURO II		975.423,76	963.454,00
Norama Projekt Amaron AB		1.786.909,65	1.761.873,28
InterAlpen Partners Growth Fund III		243.163,13	193.763,69
Brookfield Global Transition Fund		569.022,60	503.677,56
		7.190.640,78	**6.719.762,56**
		44.816.604,33	**40.640.714,47**

As of December 31, 2022, no unscheduled amortization was recognized on these financial assets to the lower market values, as it is assumed that the impairment losses are not permanent. This assumption is justified by the fact that only short-term and minor fluctuations in market values occurred in the past. The table does not include securities for which the carrying amount is lower than the market value at the balance sheet date.

Other assets

Other assets include a receivable of EUR 33,333.51 from Nature Trust Alliance GbR, Frankfurt am Main, whose shareholders are CNF, Prespa Ohrid Nature Trust (PONT), Blue Action Fund and Internationaler Naturerbe Fonds - Legacy Landscapes Fund (LLF).

The remaining other assets relate to interest receivables and refundable capital gains tax. Other assets are due within one year, as in the previous year.

Bank balances in foreign currency

As of the balance sheet date, the Foundation has bank balances in foreign currency amounting to 17,394,213.50 Armenian drams (EUR 44,473.36), 1,281.16 British pounds (EUR 1,443.56), 672. 066.98 Georgian lari (EUR 236,160.91), 86,613.24 Swiss francs (EUR 87,905.45), 2,790,269.11 US dollars (EUR 2,612,366.93) and 2,552,693.00 Japanese yen (EUR 18,140.23).

Foundation capital

Losses from realized asset reclassifications amounting to EUR 603,403.31 were transferred to the foundation capital and offset against the gains from realized asset reclassifications transferred in previous years. Otherwise, the foundation capital was preserved in full as of the balance sheet date.

Capital reserves

Capital reserves result from reserves for capital endowment pursuant to Art. 62 (3) No. 2 AO (German General Tax Code) and amount to EUR 52,507,272.73 as of December 31, 2022.

Such amount is made up of two components:

- a contribution in kind in the form of shares with a value of EUR 85,638.50
- an amount of EUR 52,421,634.23, corresponding to the balance of four separate grants by BMZ through KfW in the total amount of EUR 68,400,000.00. According to the agreement with KfW, the grant is to be used up by 2038 at the latest in accordance with the Foundation's purpose (in the following, the total grant is referred to as the "2038 Funding Capacity Reserve").

The development of the "2038 Funding Capacity Reserve" is shown in the table below:

List of grants	Original grant	As of 31.12.2021	2022 use	Total use	As of 31.12.2022
					EUR
CNF II Partial grant amount	12.000.000	261.034	261.034	12.000.000	-
CNF III Partial grant amount	16.400.000	15.575.313	3.153.679	3.978.366	12.421.634
CNF VI Partial grant amount	40.000.000	40.000.000	-		40.000.000
Total grants EUR 68,4 million		**55.836.347**	**3.414.713**	**15.978.366**	**52.421.634**

Retained earnings

Retained earnings are made up as follows:

	31.12.2022	31.12.2021
	EUR	EUR
Free reserve acc. to Art. 62 (1) No. 3 AO	2.584.963,24	2.584.963,24
Savings reserve acc. to Art. 62 (4) AO	233.432,75	233.432,75
Project reserve acc. to Art. 62 (1) No. 1 AO	16.875,33	20.049,68
Total	**2.835.271,32**	**2.838.445,67**

In the year under review, EUR 3,174.35 was withdrawn from the project reserve, thus resulting in a balance of EUR 16,875.33 as of December 31, 2022 for grants committed and payable in subsequent years.

Provisions

Other provisions include outstanding invoices for asset management services received in the reporting year, deposit fees, accounting services, and year-end closing costs.

Liabilities

Other liabilities include liabilities to BAF from a disbursement and liabilities to personnel. As in the previous year, all liabilities have a remaining term of up to one year.

Notes on the income statement

Compared with previous year's financial statements, the classification of income and expenses from investments has been adjusted. Dividends, interest and similar income as well as distributions from funds have been combined in the item interest, dividends and similar income. In addition, income from currency translation has been offset against expenses from currency translation. The item Investment expenses has been renamed Fees and other investment expenses.

Interest, dividends and similar income includes the following income:

	31.12.2022	31.12.2021
	EUR	EUR
Dividends	363.628,12	138.750,37
Interest and similar income	200.090,29	128.639,93
Distributions from funds	345.210,80	257.252,69
Total	**908.929,21**	**542.642,99**

Income from realized asset reclassifications includes gains and losses from the sale of investment securities.

Expenses from currency translation result from realized results from unconditional forward transactions (futures on the USD), results from the translation of bank accounts in foreign currencies, and currency differences on payments in foreign currencies.

Fees and other investment expenses include fees for investment consulting, deposit fees, custody fees, foreign withholding taxes and administrative costs of Nature Trust Alliance GbR attributable to the investment.

Grants, subsidies and other income include income from donations and grants mainly from Georgian companies as well as donations from private individuals and income from the reversal of provisions.

Expenses for funding measures for protected areas include grants to nature conservation parks in the Caucasus.

Other subsidies relate to grants for the purpose of nature conservation to governmental or non-governmental organizations in the Caucasus.

Consulting and other projects mainly include costs for consulting and technical support for projects in the Caucasus.

Project development and monitoring expenses include personnel costs, costs for travels to the Caucasus in connection with funding measures and costs of offices maintained in Armenia and Georgia, as well as costs for monitoring and auditing the use of funds allocated under funding measures.

Administrative expenses include (i) personnel expenses attributed to CNF, rents and other office expenses of Nature Trust Alliance GbR, (ii) CNF's own proportionate personnel expenses, (iii) auditing and external accounting costs, travel expenses, IT costs, insurance premiums as well as costs for the offices maintained in Armenia and Georgia and other office expenses.

Borrowing and advertising expenses include personnel expenses, travel expenses, expenses for events and public relations work, and other fundraising-related expenses.

Personnel expenses

	2022	2021
	EUR	EUR
Personnel expenses		
Wages and salaries	418.886,82	318.022,46

Compared to the previous year, personnel expenses in the reporting year increased due to the recruitment of new employees and salary increases.

Other information

Unconditional forward contracts (futures) were concluded in order to hedge exchange rate risks for foreign currency balances and financial assets denominated in US dollars. Corresponding to the futures' market value, so-called variation margins are determined on a daily basis. If negative variation margins exist at the balance sheet date, a provision for anticipated losses is recognized. Gains and losses on closed-out futures are recognized in the income statement. Realized gains or losses on futures are partially offset by changes in the value of financial assets denominated in USD. Valuation units pursuant to Art. 254 HGB are not formed.

As of the balance sheet date, the total liabilities of Nature Trust Alliance GbR, Frankfurt am Main, whose personally liable partner is the Foundation, amount to EUR 92,233.00.

Auditor's fee

The auditor's fee recognized as expenses amounts to KEUR 19 (plus VAT) and exclusively relates to auditing services.

Other financial obligations

As of the reporting date, there are (as yet uncalled) payment obligations for direct investments in the area of asset investment in the amount of KEUR 19,099.

Board of Directors

- Tobias Münchmeyer, Executive Director

Pursuant to Art. 286 (4) HGB, the Foundation waived the disclosure of the Executive Director's or Board of Directors' remuneration.

Board of Trustees

Chairman

- David Morrison, conservationist; managing director and supervisory board member of conservation trust funds and public companies; Paris, France

Vice Chairwoman

- Kathrin Helga Samson, Director Asia, World Wide Fund for Nature; Berlin

Further members

- Ted Jonas, Member, Supervisory Board, Anaklia Development Consortium; Tiflis, Georgia
- Thomas Eisenbach, Head of Division for Energy and Natural Resources in the Eastern Europe, Caucasus and Central Asia Department, KfW Development Bank; Frankfurt am Main
- Hanna-Leena Loikkanen, Full-time board professional, serving at the boards of Bank of Georgia, the leading London listed bank in Georgia, Finnfund, the Finnish state-owned development finance company, VEF, Nasdaq Stockholm listen emerging market fintech investor and Eastnine, Nasdaq Stockholm listed real estate developer. Helsinki, Finland
- Mr. Ronald Kent, Non-Executive Board Director, Consultant and Investor, Austin, Texas/ USA.

The Board of Trustees performed its activities in an honorary capacity.

Number of employees

In addition to the Executive Director, the Foundation had an average of seven employees in the fiscal year 2022.

Frankfurt am Main, April 28, 2023

Caucasus Nature Fund (CNF)

Board of Directors

Caucasus Nature Fund, Frankfurt am Main

Development of fixed assets in the 2022 fiscal year

	Acquisition costs				Accumulated amortization and depreciation				Book value	Book value
	01.01.2022 EUR	Additions EUR	Disposals EUR	31.12.2022 EUR	01.01.2022 EUR	Additions EUR	Disposals EUR	31.12.2022 EUR	31.12.2022 EUR	31.12.2021 EUR
A. Fixed assets										
I. Intangible assets										
Trademark rights and similar assets	4,410.12	0.00	0.00	4,410.12	214.12	441.00	0.00	655.12	3,755.00	4,196.00
II. Tangible assets										
Factory and office equipment	62,166.80	823.54	0.00	62,990.34	57,035.63	2,540.54	0.00	59,576.17	3,414.17	5,131.17
II. Financial assets										
Securities held as fixed assets	55,564,167.86	34,655,932.42	18,929,127.96	71,290,972.32	0.00	200,275.50	0.00	200,275.50	71,090,696.82	55,564,167.86
Total fixed assets	55,626,334.66	34,656,755.96	18,929,127.96	71,358,372.78	57,249.75	203,257.04	0.00	260,506.79	71,097,865.99	55,573,495.03

[Translator's notes are in square brackets]

General Engagement Terms
for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [*Translators Note: The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

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(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b) examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.