Translation*)

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

Report on the audit of the annual financial statements as of December 31, 2024

*) German version prevails

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FREE TRANSLATION OF THE ORIGINAL GERMAN AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To Caucasus Nature Fund (CNF), rechtsfähige Stiftung des bürgerlichen Rechts

Audit opinion

We have audited Caucasus Nature Fund (CNF) rechtsfähige Stiftung des bürgerlichen Rechts's annual financial statements, comprising the balance sheet as of December 31, 2024 and the income statement for the fiscal year from January 1, 2024 through December 31, 2024 as well as the notes, including a presentation of the accounting and valuation methods.

According to our assessment based on the knowledge obtained during the audit, the attached annual financial statements comply, in all material respects, with the requirements pursuant to German commercial law as applicable to corporations and the Statute'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, 2024 and of its profit situation for the fiscal year from January 1, 2024 through December 31, 2024.

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 auditor's report. 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 opinions 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 as applicable to corporations and the Statutes' supplementary provisions and that the annual financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the Company's net assets, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have determined, in accordance with German generally accepted accounting principles, 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, and to issue an auditor's report 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 al-ways 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 and the management report, whether due to fraud or error, plan and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. 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 controls 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 the Company's internal controls;
- 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 auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. that may cast significant doubt on the Company'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 auditor's report 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 auditor's report. 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 significant deficiencies in the internal controls we identify during our audit.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the extended audit of the annual financial statements pursuant to Art. 6 (4) of the Hessian Foundation Act (HStiftG)

We have audited the preservation of the Foundation's assets as of the balance sheet date, December 31, 2024, and the use of the Foundation's funds in accordance with its Statutes for the fiscal year from January 1, 2024, through December 31, 2024.

According to our assessment, the Foundation's assets were preserved in real terms as of the balance sheet date December 31, 2024. The Foundation's funds were used as intended in the fiscal year from January 1, 2024, through December 31, 2024.

We conducted our audit in accordance with Art. 6 (4) of the HStiftG 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 Statutes, as well as for the precautions 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 Statutes during the fiscal year in all material respects, and to issue an auditor's report 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 Statutes. We exercise professional judgment and maintain professional skepticism throughout the entire audit.

Nuremberg, May 30, 2025

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

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Dittus
German CPA

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Dr. Schroff
German CPA

Caucasus Nature Fund, Frankfurt am Main
Balance sheet as of December 31, 2024

Assets

	31.12.2024 EUR	31.12.2023 EUR
A. Fixed assets		
I. Intangible assets		
Trademark and similar assets	**2.873,00**	**3.314,00**
II. Property, plant and equipment		
Operating and office equipment	**35.534,17**	**43.835,17**
III. Financial assets		
Long-term securities	**74.034.998,94**	**76.804.639,97**
	74.073.406,11	**76.851.789,14**
B. Current assets		
I. Other assets	**218.569,57**	**131.488,89**
II. Bank balances	**8.355.620,62**	**8.033.586,06**
	8.574.190,19	**8.165.074,95**
	82.647.596,30	**85.016.864,09**

Equity and liabilities

	31.12.2024 EUR	31.12.2024 EUR	31.12.2023 EUR	31.12.2023 EUR
A. Equity				
I. Foundation capital				
1. Initial endowment	7.728.100,00		7.728.100,00	
2. Additional endowment capital	22.693.917,91		22.693.917,91	
		30.422.017,91		**30.422.017,91**
II. Reserves				
1. Capital reserves	46.681.509,98		49.273.226,52	
2. Earnings reserves	4.619.212,60		4.657.239,15	
		51.300.722,58		**53.930.465,67**
III. Funds carried forward		**662.974,27**		**515.100,81**
		82.385.714,76		**84.867.584,39**
B. Provisions				
Other provisions		**255.993,27**		**149.267,30**
C. Liabilities				
Trade payables	5.888,27		0,00	
Other liabilities	0,00		12,40	
		5.888,27		**12,40**
		82.647.596,30		**85.016.864,09**

Caucasus Nature Fund
Frankfurt am Main
Income statement for the fiscal year from January 1 through December 31, 2024

	2024 EUR	2024 EUR	2023 EUR	2023 EUR
1. Investment income				
a) Income and gain from investments				
aa) Interest, dividend and similar income	1.312.155,79		1.423.637,10	
ab) Realized capital gains net	566.923,51		0,00	
ac) Currency exchange gain net	0,00		31.188,13	
		1.879.079,30		1.454.825,23
b) Investment expenses				
ba) Realized capital losses net	0,00		-257.452,08	
bb) Currency exchange loss net	-392.477,79		0,00	
bc) Investment management and other expenses	-473.084,30		-427.480,52	
		-865.562,09		-684.932,60
Net Investment Income		**1.013.517,21**		**769.892,63**
d) Donations and other income		192.259,38		1.789.681,56
Net income		**1.205.776,59**		**2.559.574,19**
2. Program Grants & Projects and other expenses				
Direct project support				
a) Grants to Protected Areas	-1.613.461,68		-1.739.871,54	
b) Other grants	-746.630,54		-510.328,16	
c) Consulting and other projects	-360.680,54		-405.413,96	
		-2.720.772,76		**-2.655.613,66**
Project development and monitoring		**-511.362,43**		**-428.590,41**
Administrative and other				
a) Administrative costs	-413.874,47		-401.427,74	
b) Fundraising and communications	-41.636,56		-17.369,45	
		-455.511,03		**-418.797,19**
Total project and other expenses		**-3.687.646,22**		**-3.503.001,26**
3. Net Income / Loss (-) for the year before reserves transfer		**-2.481.869,63**		**-943.427,07**
4. Funds brought forward from the previous year		**515.100,81**		**46.449,50**
5. Transfer from reserves				
a) Funding capacity reserves	2.591.716,54		3.234.046,21	
b) Project reserve	391.973,50		3.006,61	
		2.983.690,04		**3.237.052,82**
6. Transfer to reserves				
a) Free reserve	-353.946,95		-434.171,71	
a) Project reserve	0,00		-1.390.802,73	
		-353.946,95		**-1.824.974,44**
7. Funds carried forward		**662.974,27**		**515.100,81**

Anlage 2

Caucasus Nature Fund (CNF)
Frankfurt am Main

Notes for the 2024 financial year

General information and notes to the annual financial statements

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

The financial year is the calendar year. The annual financial statements as at December 31, 2024 were prepared in accordance with German commercial law and the supplementary provisions of the foundation`s charter. The provisions of the German Commercial Code for large corporations (Sections 264 et seq. HGB) were generally applied, with the exception that a management report was not prepared.

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

Accounting and valuation principles

The accounting and valuation methods were applied unchanged from the previous year.

Intangible assets, property, plant and equipment and financial assets are measured at cost in accordance with Section 255 (1) HGB. Intangible assets and property, plant and equipment are depreciated using scheduled amortization and depreciation, which is measured on the basis of useful lives recognized under tax law and the straight-line method. Financial assets are written down to the lower fair value if the impairment is expected to be permanent. No use is made of the option to write down to the lower fair value if the impairment is not expected to be permanent.

Other assets are recognized at the lower of cost or fair value on the balance sheet date.

Bank balances are recognized at nominal value.

The carrying amounts of other provisions include all identifiable risks and contingent liabilities. They are recognized at the settlement amount required according to prudent business judgment.

Liabilities are recognized at the settlement amount.

Transactions in foreign currencies are generally recognized at the exchange rate on the date of the transaction. Receivables and liabilities in foreign currencies are measured at the exchange rate on the date of origin. Foreign currency items are generally translated at the mean spot exchange rate on the balance sheet date in accordance with the provisions of Section 256a HGB.

Notes to the balance sheet

The classification and development of fixed assets are shown in the attached statement of changes in fixed assets.

Of the securities held as financial assets with a carrying amount of EUR 74,034,998.94 at the end of the reporting year, the following securities are reported above their fair value (market value on the reporting date):

	Nominal value/unit	Book value	Fair value
		EUR	EUR
Bonds			
1.0% SAP SE|Med.Term Nts. v.2015(25/25)	400,000.00	400,404.00	397,800.00
Vonovia EMTN Sr.35 Tr.1 (2027-06-16) [DE000A3E5MG8]	300,000.00	300,121.00	281,496.00
Bayerische Landesbank (2028-02-10) [DE000BLB6JJ0]	300,000.00	298,830.00	274,065.00
Commerzbank EMTN Sr.961 (2027-09-01) [DE000CZ45V82]	250,000.00	252,332.50	235,175.00
1.125% Unibail-Rodamco-Westfield SE|EO-Medium-Term Nts 2018(	200,000.00	204,470.00	196,900.00
Unibail-Rodamco EMTN (2027-02-27) [FR0013405032]	300,000.00	318,270.00	289,263.00
Unibail-Rodamco-Westfield EMTN (2025-04-09) [FR0013506813]	200,000.00	212,600.00	194,300.00
1.625% Capgemini SE|EO-Notes 2020(20/26)	200,000.00	203,168.00	192,320.00
Teleperformance (2027-11-26) [FR0014000S75]	300,000.00	299,405.00	270,660.00
BNP Paribas S.A. EO-FLR Non-Pref. MTN 21(26/27)	300,000.00	289,174.00	282,060.00
0,375% Credit Agricole S.A. EO-Non-Preferred MTN 2021(28)	300,000.00	284,938.00	273,870.00
0.875% Sanofi S.A.|EO-Medium-Term Nts 2022(22/25)	400,000.00	398,864.00	389,520.00
2,875% L'Oreal S.A. EO-Medium-Term Nts 2023(23/28)	300,000.00	294,645.00	288,750.00
Kroatien (2025-03-11) [XS1117298916]	200,000.00	227,242.00	199,160.00
1.0% ABN AMRO Bank N.V.|EO-Medium-Term Notes 2015(25)	400,000.00	399,644.00	397,788.00
Koninklijke MTN Sr.1 (2028-09-11) [XS1485533431]	200,000.00	209,140.00	187,564.00
Euronext (2025-04-18) [XS1789623029]	300,000.00	310,873.50	298,176.00
Netflix (2027-05-15) [XS1821883102]	200,000.00	232,800.00	203,970.00
1,75% Nasdaq Inc. EO-Notes 2019(19/29)	280,000.00	284,488.80	265,941.20
SKF (2025-09-17) [XS1877892148]	300,000.00	314,508.00	296,499.00
Rumänien (2026-12-08) [XS1934867547]	150,000.00	161,550.00	145,920.00
Becton Dickinson Euro Finance (2026-06-04) [XS2002532724]	340,000.00	354,227.00	332,805.60

	Nominal value/unit	Book value	Fair value
Deutsche Bahn Finance FTFN (2025-01-22) [XS2010039035]	300,000.00	304,812.00	297,750.00
HeidelbergCement Finance Luxembourg (2027-12-01) [XS20186373	290,000.00	304,960.40	277,701.10
DH Europe Finance (2026-03-18) [XS2050404636]	315,000.00	314,502.50	305,798.85
Infineon Technologies (2025-03-31) [XS2056730323]	300,000.00	312,606.00	297,750.00
Stryker (2029-03-01) [XS2087639626]	270,000.00	274,591.74	247,695.30
0,50% RELX Finance (B.V. EO-Notes 2020(20/28)	330,000.00	319,917.20	306,487.50
Prosus (2028-08-03) [XS2211183244]	270,000.00	273,855.00	251,340.30
KION GROUP (2025-09-24) [XS2232027727]	300,000.00	313,024.00	296,319.00
Goldman Sachs Group EMTN (2028-01-26) [XS2292954893]	300,000.00	297,772.00	278,040.00
0.0% Kreditanst.f.Wiederaufbau|Med.Term Nts. v.21(29)	400,000.00	386,480.00	359,840.00
0.925% UniCredit S.p.A.|EO-FLR Preferred MTN 22(27/28)	400,000.00	399,040.00	383,320.00
	9,595,000	**9,753,255.64**	**9,196,044.85**
Shares			
Roche Holding AG [CH0012032048]	310.00	102,868.32	84,077.28
Lonza Group AG Kauf 115	115.00	70,017.88	65,407.36
Geberit AG [CH0030170408]	175.00	107,718.85	95,594.71
Sika AG	350.00	94,332.37	80,176.21
Straumann Holding AG|Namens-Aktien SF 0,01	1,450.00	194,048.07	175,853.19
Deutsche Post AG [DE0005552004]	3,000.00	121,823.93	101,940.00
LEG Immobilien SE	545.00	47,407.19	44,581.00
Siemens Healthineers AG [DE000SHL1006]	1,430.00	73,502.50	73,216.00
Elisa Oyi [FI0009007884]	1,890.00	98,113.51	79,002.00
L'Oreal S.A. [FR0000120321]	215.00	74,365.39	72,541.00
Bouygues S.A. [FR0000120503]	3,180.00	104,472.42	90,757.20
Cap Gemini S.A. [FR0000125338]	400.00	67,733.51	62,080.00
Shimano Inc. [JP3358000002]	525.00	101,445.82	68,816.07
Fanuc Ltd. [JP3802400006]	2,500.00	87,246.33	63,961.15
Astellas Pharma Inc. [JP3942400007]	4,600.00	69,828.22	43,255.81
Unicharm Corp. / Stk. 3.000	3,000.00	96,274.78	23,945.22
Getinge Industrier AB B [SE0000202624]	2,800.00	81,884.93	44,388.75
Ascendas Real Estate Investment Trust [SG1M77906915]	45,700.00	89,593.62	76,887.39
Adobe Systems Inc. [US00724F1012]	510.00	225,038.27	218,319.57
Ball Corp. [US0584981064]	1,500.00	106,817.41	79,205.88
Best Buy Co. Inc. [US0865161014]	1,120.00	94,752.03	92,329.56
Cadence Design Systems Inc.	230.00	70,585.31	66,667.75
Edwards Lifesciences Corp.	1,135.00	92,047.52	80,912.62
Keurig Dr. Pepper Inc. Registered Shares DL -,01	2,435.00	76,679.04	74,728.83
Stanley Black & Decker Inc. [US8545021011]	615.00	98,518.53	47,143.70
	79,730	**2,447,115.75**	**2,005,788.25**
Tradeable Funds			

	Nominal value/unit	Book value	Fair value
Sarasin Sustainable Properties - European Cities (SSP) Fonds	1,760.00	2,198,332.35	1,974,121.60
Muzinich Enhancedyield Short-Term Fund Hedged EUR [IE00B68XV	11,733.00	1,063,310.58	940,634.61
Candriam Bonds Credit Opportunities I (q) [LU1269889314]	1,396.00	1,973,318.77	1,890,714.48
AQR. UFS-AQR Sust.De.L.S.Eq.UC.Act.Nom. IAE3 EUR Acc. oN	19,141.94	1,907,019.38	1,855,045.41
	34,031	**7,141,981.08**	**6,660,516.10**
Private Funds			
Crown European Privat Debt II SCSp		778,054.67	713,164.00
Brookfield BID EURO I		328,778.52	248,777.00
Cibus Enterprise Fund II LP		906,598.82	780,760.15
Corestate Highstreet VI		549,724.50	276,495.16
		2,563,156.21	**2,019,196.31**
Total		**21,905,508.98**	**19,881,545.51**

As at December 31, 2024, no impairment losses were recognized on these financial assets to the lower market values, as it is assumed that these are not permanent impairments. This assumption is based on the fact that only short-term and minor fluctuations in market values have occurred in the past. The table does not include securities for which the carrying amount is lower than the market value on the reporting date.

Other assets

Other assets include a receivable of EUR 45,938.05 against Nature Trust Alliance GbR, Frankfurt am Main, in which CNF is a partner alongside 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 a dividend payment. As in the previous year, the other assets are due within one year.

Bank balances in foreign currency

As at the balance sheet date, the Foundation had bank balances in foreign currencies amounting to 24,953,363.05 Armenian drams (EUR 60,191.61), 1,281.16 British pounds (EUR 1,545.54), 2,690.783.37 Georgian lari (EUR 919,291.08), 260,106.88 Swiss francs (EUR 276,459.46), 1,929,408.64 US dollars (EUR 1,852,279.71) and 2,779,159.00 Japanese yen (EUR 16,938.86).

Foundation capital

The foundation's capital was retained in full as at the balance sheet date.

Capital reserves

The capital reserves consist of funding capacity reserves in accordance with Section 62 (3) No. 2 AO and amounted to EUR 46,681,509.98 as at December 31, 2024.

This amount is made up of two components:

- a non-cash contribution in the form of shares with a value at the contribution date of EUR 85,638.50
- an amount of EUR 46,595,871.48, which corresponds to the remaining amount of separate grants from the BMZ via KfW totaling EUR 56,400,000.00. In accordance with the agreement with KfW, the grants are to be used by 2038 at the latest in line with the purpose of the foundation (the total grant is referred to below as the "2038 Funding Capacity Reserve").

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

Grants catalog	Original contribution	Balance as at 31.12.2023	2024 Use	Overall use	Balance as at 31.12.2024
					EUR
CNF III Partial grant amount	16,400,000	9,187,588	2,591,717	9,804,129	6,595,871
CNF IV Partial grant amount	40,000,000	40,000,000	-		40.000.000
Total grant EUR 56.4 million		**49,187,588**	**2,591,717**	**9,804,129**	**46,595,871**

Earnings reserves

Earnings reserves are made up as follows:

	31.12.2024	31.12.2023
	EUR	EUR
Free reserve in accordance with Section 62 (1) No. 3 AO	3,373,081.90	3,019,134.95
Savings reserve in accordance with Section 62 (4) AO	233,432.75	233,432.75
Project reserve in accordance with section 62 (1) no. 1 AO	1,012,697.95	1,404,671.45
Total	**4,619,212.60**	**4,657,239.15**

In the reporting year, EUR 353,946.95 was allocated to the free reserve. From the project reserve EUR 391,973.50 was used.

Provisions

Other provisions include outstanding invoices for asset management services received in the reporting year, custodian fees, accounting services and annual financial statement costs and a contingent loss from future contracts for hedging exchange rate risks.

Notes to the income statement

Interest, dividends and similar income include the following income:

	31.12.2024	31.12.2023
	EUR	EUR
Dividends	212,103.41	224,083.49
Interest and similar income	358,336.45	275,184.36
Distributions from funds	741,715.93	924,369.25
Total	**1,312,155.79**	**1,423,637.10**

Income from realized capital gains include gains and losses from the sale of securities held as financial assets.

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

Investment management and other expenses include fees for investment advice, custody account fees, foreign withholding taxes, debit interest and administrative costs of Nature Trust Alliance GbR attributable to the investment activity.

Donations and other income include grants and subsidies, mainly from Georgian companies and donations from private individuals as well as unused and reimbursed grants. This item also includes capital gains from the sale of fixed assets.

Grants to Protected areas include grants to nature conservation parks in the Caucasus.

Other grants 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.

The expenses for project development and -monitoring include personnel costs, costs for travel in connection with the grants and other funding measures and costs for the offices maintained in Armenia and Georgia as well as costs for monitoring and auditing the use of the funds allocated as part of the funding measures.

Administrative costs include (i) allocations to CNF of personnel expenses, rent and other office expenses of Nature Trust Alliance GbR (ii) the CNF's own personnel expenses attributable to the administration of the foundation (iii) auditing and external accounting costs, travel expenses, IT costs, insurance premiums and the costs of the offices maintained in Armenia and Georgia and other operating expenses.

Fundraising and communications expenses include personnel costs, costs for events and public relations and other costs in connection with fundraising.

Personnel expenses

	2024	2023
	EUR	EUR
Personnel expenses		
Wages and salaries	498,499.84	484,094.55

Personnel expenses increased in the reporting year compared to the previous year due to the recruitment of new employees and salary increases.

Other information

Unconditional forward transactions (futures) were concluded to hedge exchange rate risks for foreign currency balances and financial assets in US dollars. Corresponding to the market value of the futures, so-called variation margins are determined on a daily basis. If there are negative variation margins on the balance sheet date, a provision for anticipated losses is recognized. Results from closed futures are recognized in the income statement. The realized gains or losses from the futures are partially offset by opposing changes in the value of the financial assets held in USD. Valuation units in accordance with Section 254 HGB are not formed.

The liabilities of Nature Trust Alliance GbR, Frankfurt am Main, in which the Foundation is a personally liable partner, amounted to a total of EUR 160,857.03, as at the balance sheet date.

Auditor's fee

The auditor's fee recognized as an expense amounts to EUR 25 thousand (including VAT) and relates exclusively to auditing services.

Other financial obligations

As at the reporting date, there were (as yet uncalled) payment obligations for direct investments in the area of asset management amounting to EUR 9.5 mio.

Management Board

- David Morrison, Executive Director, since September 1, 2024
- Elizabeth Messud, Executive Director, until August 31, 2024

The salary of the managing director or Management Board is not disclosed in accordance with Section 286 (4) HGB.

Supervisory Board

Chairman

- Mr. Ronald Kent, Non-Executive Board Director, Consultant and Investor, Austin, Texas/ USA.

Deputy Chairwoman

- Kathrin Helga Samson, Chief Executive Conservation, World Wide Fund for Nature; Berlin

Other members

- Ted Jonas, Member, Supervisory Board, Anaklia Development Consortium; Tbilisi, 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, Chief Investment Officer, Finnfund; Helsinki, Finland

The members of the Supervisory Board carried out their work on an honorary basis.

Number of employees

In the 2024 financial year, the Foundation employed an average of nine employees in addition to the Executive Board.

Frankfurt am Main, 30.05.2025

Caucasus Nature Fund (CNF)

The Management Board

Caucasus Nature Fund, Frankfurt am Main

Development of fixed assets in the 2024 fiscal year

	Acquisition costs				Accumulated amortization and depreciation				Book value	Book value
	01.01.2024 EUR	Additions EUR	Disposals EUR	31.12.2024 EUR	01.01.2024 EUR	Additions EUR	Disposals EUR	31.12.2024 EUR	31.12.2024 EUR	31.12.2023 EUR
A. Fixed assets										
I. Intangible assets										
Trademarks and similar rights	4.410,12	0,00	0,00	4.410,12	1.096,12	441,00	0,00	1.537,12	2.873,00	3.314,00
II. Property, plant and equipment										
Operating and office equipment	94.600,45	2.021,46	823,54	95.798,37	50.765,28	10.207,46	708,54	60.264,20	35.534,17	43.835,17
III. Financial assets										
Long-term securities	77.004.915,47	21.477.790,93	24.247.431,96	74.235.274,44	200.275,50	0,00	0,00	200.275,50	74.034.998,94	76.804.639,97
Total fixed assets	77.103.926,04	21.479.812,39	24.248.255,50	74.335.482,93	252.136,90	10.648,46	708,54	262.076,82	74.073.406,11	76.851.789,14

[Translator's notes are in square brackets]

General Engagement Terms

for
Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2024

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/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 (Textform) 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 agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to 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 agreement in writing (Textform).

(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 submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined 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 a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). 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 consent be issued in writing (Textform), 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 subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance 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, claims for damages due to negligence arising out of the contractual relationship between the

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engaging party and the German Public Auditor, 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], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) 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.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages 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.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of 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.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

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 (Bestätigungsvermerk), 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 consent, issued in a legally accepted written form (gesetzliche Schriftform), 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 material 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 (Textform), ongoing tax advice encompasses the following work during the contract period:

a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, 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 (Textform).

(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 and valuation assessments for property units 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 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.

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