

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, 2025

* German version prevails

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, 2025 and the income statement for the fiscal year from January 1, 2025 through December 31, 2025 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, 2025 and of its profit situation for the fiscal year from January 1, 2025 through December 31, 2025.

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 to 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

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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.

The Supervisory Board is responsible for monitoring the Foundation's financial reporting process for the preparation of the annual financial statements.

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 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 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;

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- 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. 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 Supervisory Board, 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, 2025, and the use of the Foundation's funds in accordance with its Statutes for the fiscal year from January 1, 2025, through December 31, 2025.

According to our assessment, the Foundation's assets were preserved in real terms as of the balance sheet date December 31, 2025. The Foundation's funds were used as intended in the fiscal year from January 1, 2025, through December 31, 2025.

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 Management Standard: Requirements for Quality Management in Auditing Practice (IDW QMS 1(09.2022)) which comply with the International Auditing and Assurance Standards Board (IAASB). 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.

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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 22, 2026

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

-signed-
Dittus
German CPA

-signed-
Dr. Schroff
German CPA

Caucasus Nature Fund, Frankfurt am Main
Balance sheet as of December 31, 2025

Assets			Equity and liabilities				
	31.12.2025 EUR	31.12.2024 EUR		31.12.2025 EUR	31.12.2025 EUR	31.12.2024 EUR	31.12.2024 EUR
A. Fixed assets			A. Equity				
I. Intangible assets			I. Foundation capital				
Trademark and similar assets	2.432,00	2.873,00	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. Property, plant and equipment							
Other equipment, operating and office equipment	62.418,17	35.534,17	II. Reserves				
			1. Capital reserves	45.696.080,42		46.681.509,98	
III. Financial assets			2. Earnings reserves	6.340.802,66		4.619.212,60	
Long-term securities	73.349.622,54	74.034.998,94			52.036.883,08		51.300.722,58
	73.414.472,71	74.073.406,11	III. Funds carried forward		1.970.179,27		662.974,27
					84.429.080,26		82.385.714,76
B. Current assets			B. Provisions				
I. Other assets	2.973.623,35	218.569,57	Other provisions		141.141,19		255.993,27
II. Bank balances	8.201.306,42	8.355.620,62	C. Liabilities				
	11.174.929,77	8.574.190,19	Trade payables		19.181,03		5.888,27
	84.589.402,48	82.647.596,30			84.589.402,48		82.647.596,30

Caucasus Nature Fund
Frankfurt am Main
Income statement for the fiscal year from January 1 through December 31, 2025

	2025 EUR	2025 EUR	2024 EUR	2024 EUR
1. Investment income				
a) Income and gain from investments				
aa) Interest, dividend and similar income	1.650.794,17		1.312.155,79	
ab) Realized capital gains net	3.636.974,87		566.923,51	
ac) Currency exchange gain net	997.502,80		0,00	
		6.285.271,84		1.879.079,30
b) Investment expenses				
ba) Currency exchange loss net	0,00		-392.477,79	
bb) Investment management and other expenses	-413.501,85		-473.084,30	
		-413.501,85		-865.562,09
Net Investment Income		5.871.769,99		1.013.517,21
c) Donations and other income		69.353,17		192.259,38
Net revenue		5.941.123,16		1.205.776,59
2. Program Grants & Projects and other expenses				
Direct project support				
a) Support for Protected Areas	-1.616.484,74		-1.613.461,68	
b) Technical assistance and other support	-679.085,34		-401.929,11	
		-2.295.570,08		-2.015.390,79
System-level Grants & Projects		-611.892,11		-679.766,92
Other Grants & Projects		-126.470,52		-39.774,68
Project development and monitoring		-433.985,46		-497.202,80
Administrative and other				
a) Administrative costs	-405.167,39		-413.874,47	
b) Fundraising and communications	-24.672,10		-41.636,56	
		-429.839,49		-455.511,03
Total project and other expenses		-3.897.757,66		-3.687.646,22
3. Net Income / Loss (-) for the year before reserves transfer		2.043.365,50		-2.481.869,63
4. Funds brought forward from the previous year		662.974,27		515.100,81
5. Transfer from reserves				
a) From funding capacity reserves	985.429,56		2.591.716,54	
b) From project reserve	242.601,92		391.973,50	
		1.228.031,48		2.983.690,04
6. Transfer to reserves				
To free reserve		-1.964.191,98		-353.946,95
7. Funds carried forward		1.970.179,27		662.974,27

Caucasus Nature Fund (CNF)

Frankfurt am Main

Notes for the 2025 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, 2025 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. For clarity, the structure of the profit and loss statement under item "2. Program grants & Projects and other expenses" has been changed compared to the previous year. A comparison of the prior year's figures in the previous and new structures is provided in the notes to the profit and loss statement.

Accounting and valuation principles

Apart from the aforementioned change in the structure of the income statement, 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.

Funds transferred to countries in which the Foundation supports protected areas are converted from Euro into the respective local currency at the exchange rate prevailing on the date of conversion. Expenses financed from these funds are recognized using this historical exchange rate. Any remaining balances denominated in local currencies at the balance sheet date are translated at the spot exchange rate as of that date in accordance with Section 256a of the German Commercial Code (HGB). Monetary items denominated in other foreign currencies that have not yet been converted are translated accordingly.

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 73,349,622.54 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			
Vonovia EMTN Sr.35 Tr.1 (2027-06-16) [DE000A3E5MG8]	300,000	300,121.00	290,373.00
Bayerische Landesbank (2028-02-10) [DE000BLB6JJ0]	300,000	298,830.00	283,881.00
2,30% Bundesrepublik Deutschland v. 23(33)	400,000	394,788.00	391,040.00
Commerzbank EMTN Sr.961 (2027-09-01) [DE000CZ45V82]	250,000	252,332.50	241,687.50
Unibail-Rodamco EMTN (2027-02-27) [FR0013405032]	300,000	318,270.00	295,005.00
1.625% Capgemini SE EO-Notes 2020(20/26)	200,000	203,168.00	189,540.00
Teleperformance (2027-11-26) [FR0014000S75]	300,000	299,405.00	270,600.00
0,375% Credit Agricole S.A. EO-Non-Preferred MTN 2021(28)	300,000	284,938.00	284,220.00
United States of America DL-Treasury Bills 2025(26)	500,000	422,293.37	420,215.48
United States of America DL-Treasury Bills 2025(26)	500,000	426,207.51	424,069.50
Koninklijke MTN Sr.1 (2028-09-11) [XS1485533431]	200,000	209,140.00	191,458.00
Netflix (2027-05-15) [XS1821883102]	200,000	232,800.00	202,866.00
1,75% Nasdaq Inc. EO-Notes 2019(19/29)	280,000	284,488.80	269,768.80
Rumänien (2026-12-08) [XS1934867547]	150,000	161,550.00	149,520.00
Becton Dickinson Euro Finance (2026-06-04) [XS2002532724]	340,000	354,227.00	338,113.00

	Nominal value/unit	Book value	Fair value
HeidelbergCement Finance Luxembourg (2027-12-01) [XS20186373]	290,000	304,960.40	282,721.00
DH Europe Finance (2026-03-18) [XS2050404636]	315,000	314,502.50	313,481.70
Stryker (2029-03-01) [XS2087639626]	270,000	274,591.74	253,197.90
0,50% RELX Finance (B.V. EO-Notes 2020(20/28)	330,000	319,917.20	313,747.50
1,625% Fresenius SE & Co.KGaA MTN v.2020(2027/2027)	300,000	295,811.10	295,038.00
Prosus (2028-08-03) [XS2211183244]	270,000	273,855.00	259,775.10
Goldman Sachs Group EMTN (2028-01-26) [XS2292954893]	300,000	297,772.00	286,080.00
0.0% Kreditanst.f.Wiederaufbau Med.Term Nts. v.21(29)	400,000	386,480.00	368,200.00
0.925% UniCredit S.p.A. EO-FLR Preferred MTN 22(27/28)	400,000	399,040.00	393,280.00
	7,395,000	7,309,489.12	7,007,878.48
Shares			
Sonova Holding AG [CH0012549785]	441	123,758.62	98,089.46
Lonza Group AG Kauf 115	115	70,017.88	66,423.59
Nestle S.A. Namens-Aktien SF-,10	1,120	99,149.28	94,714.64
Sika AG	350	94,332.37	61,121.25
Alcon AG	1,250	89,769.98	84,953.28
Straumann Holding AG Namens-Aktien SF 0,01	1,450	194,048.07	145,545.05
Siemens Healthineers AG [DE000SHL1006]	1,430	73,502.50	64,235.60
Novo-Nordisk AS Navne-Aktier B DK 0,1	1,750	125,913.94	76,207.67
Techtronic Industries Co. Ltd. [HK0669013440]	9,500	114,235.07	95,537.93
Shimano Inc. [JP3358000002]	525	101,445.82	47,195.34
Fanuc Ltd. [JP3802400006]	2,500	87,246.33	82,692.26
Mizuho Financial Group Inc. Registered Shares o.N.	2,500	78,072.98	77,473.02
Astellas Pharma Inc. [JP3942400007]	4,600	69,828.22	52,343.49
Adobe Systems Inc. [US00724F1012]	510	225,038.27	153,121.63
Ball Corp. [US0584981064]	1,500	106,817.41	68,018.06
Cadence Design Systems Inc.	495	147,060.55	133,056.81
Edwards Lifesciences Corp.	1,135	92,047.52	83,329.36
Home Depot Inc., The Registered Shares DL -,05	330	120,833.98	97,347.33
Keurig Dr. Pepper Inc. Registered Shares DL -,01	2,435	76,679.04	58,381.10
McDonald's Corp. Registered Shares DL-,01	710	191,711.17	186,271.44
Owens Corning (New) Registered Shares DL -,01	830	102,244.60	79,988.50
Procter & Gamble Co., The Registered Shares o.N.	1,370	179,326.20	168,084.91
	36,846	2,563,079.80	2,074,131.72
Tradeable Funds			
Sarasin Sustainable Properties - European Cities (SSP) Fonds	1,760	2,198,332.35	1,972,678.40
Muzinich Enhancedyield Short-Term Fund Hedged EUR	33,623	2,842,529.78	2,693,874.76
Evenlode ICAV-Evenlode Gl.Div Reg- Shs X4 EUR Dis. oN	1,290,200	1,899,174.40	1,882,014.74
Candriam Bonds Credit Opportunities I (q) [LU1269889314]	2,027	2,801,783.42	2,746,362.03
	1,327,610	9,741,819.95	9,294,929.93
Private Funds			

	Nominal value/unit	Book value	Fair value
Crown European Privat Debt II SCSp		479,964.95	397,811.00
Cibus Enterprise Fund LP		653,463.66	523,553.26
Generation IM Sustainable Solutions Fund III (B), L.P.		1,134,041.28	1,025,998.71
Cibus Enterprise Fund II LP		1,132,135.03	966,253.56
		3,399,604.92	2,913,616.52
Total		23,013,993.79	21,290,556.65

As at December 31, 2025, 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 12,111.42 against Nature Trust Alliance Stiftungen & Co. eG&R, 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 principally to a receivables from the sale of investment securities, and to a lesser extent dividend payments and interest receivables. 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 22,677,567.65 Armenian dram (EUR 50,599.24), 1,281.16 British pounds (EUR 1,468.52), 1,047,760.96 Georgian lari (EUR 331,150.74), 201,838.61 Swiss francs (EUR 216,853.08), 1,967,898.99 US dollars (EUR 1,676,205.68) and 14,744,312.00 Japanese yen (EUR 80,164.37).

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 45,696,080.42 as at December 31, 2025.

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 45,610,441.92, 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 31.12.2024	2025 Use	Overall use	Balance as at 31.12.2025
EUR					
CNF III Partial grant amount	16,400,000	6,595,871	985,430	10,789,559	5,610,442
CNF IV Partial grant amount	40,000,000	40.000.000	-		40,000,000
Total grant EUR 56.4 million		46,595,871	985,430	10,789,559	45,610,442

Earnings reserves

Earnings reserves are made up as follows:

	31.12.2025	31.12.2024
	EUR	EUR
Free reserve in accordance with Section 62 (1) No. 3 AO	5,337,273.88	3,373,081.90
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	770,096.03	1,012,697.95
Total	6,340,802.66	4,619,212.60

In the reporting year, EUR 1,964,191.98 was allocated to the free reserve. From the project reserve EUR 242,601.92 was used.

Provisions

Other provisions include outstanding invoices for asset management services received in the reporting year, custodian fees, accounting services as well as annual financial statement costs and cost for a special audit.

Notes to the income statement

Interest, dividends and similar income include the following income:

	31.12.2025	31.12.2024
	EUR	EUR
Dividends	203,962.71	212,103.41
Interest and similar income	294,657.42	358,336.45
Distributions from funds	1,152,174.04	741,715.93
Total	1,650,794.17	1,312,155.79

Income from capital gains include gains and losses from the sale of securities held as financial assets and from impairment losses on 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 Stiftungen & Co. eGmbH attributable to the investment activity.

Donations and other income include grants and subsidies, mainly from Georgian companies and donations from private individuals or foundations. This item also includes income from the release of provisions and capital gains from the sale of fixed assets.

For clarity, the structure of the profit and loss statement under item "2. Program grants & Projects and other expenses" has been changed compared to the previous year. The prior year comparison figures for this item shown in the annual financial statements therefore differ from the prior year's financial statements as shown below:

Comparison figures in financial statements 2025

2, Program grants & Projects and other expenses

a) Support for Protected Areas

aa) Grants to PAs

-1,613,461.68

ab) Technical Assistance & Other Support

-401,929.11

-2,015,390.79

b) System Level Grants & Projects

-679,766.92

c) Other Grants & Projects

-39,774.68

d) Project development and -monitoring

-497,202.80

e) Administrative and other

ea) Administrative costs

-413,874.47

eb) Fundraising and communications

-41,636.56

-455,511.03

Total project and other expenses

-3,687,646.22

Financial statements 2024

2, Program grants & Projects and other expenses

a) Direct project support

aa) Grants to protected areas

-1,613,461.68

ab) Other grants

-746,630.54

ac) Consulting and other projects

-360,680.54

	-2,720,772.76
b) Project development and -monitoring	-511,362.43
c) Administrative and other	
ca) Administrative costs	-413,874.47
cb) Fundraising and communications	-41,636.56
	<u>-455,511.03</u>
Total project and other expenses	<u>-3,687,646.22</u>

Grants to Protected areas include grants to nature conservation parks (national parks and similar protected areas) in the Caucasus.

Technical Assistance & Other Support comprises technical assistance or other forms of third-party support financed by CNF that address concrete, site-specific needs or gaps at the protected areas.

System Level Grants & Projects relate to grants, consulting or technical support at the relevant level in the national or even regional institutional environment, that strengthen the technical and human resources for the management of the protected areas system and are typically aimed at ensuring durable outcomes, more efficient use of resources, or long-term sustainability of protected area-level conservation efforts.

Other grants and projects mainly include costs for grants, consulting or technical support for projects, typically in the form of community support interventions to support and develop activities in the “buffer zones” around supported protected areas that have a nature conservation connection.

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 Stiftungen & Co. eGmbH (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

	2025	2024
	EUR	EUR
Personnel expenses		
Wages and salaries	420,167.16	498,499.84

Personnel expenses decreased in the reporting year compared to the previous year due to the departure of the salaried Executive Director in 2024 and her replacement with a volunteer as from the fourth quarter of 2024 and for all of 2025.

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 Stiftungen & Co. eGmbH, Frankfurt am Main, in which the Foundation is a personally liable partner, amounted to a total of EUR 71,964.37, as at the balance sheet date.

Auditor's fee

The auditor's fee recognized as an expense amounts to KEUR 26 and relates with KEUR 16 to annual auditing services and with KEUR 10 to special audits.

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 8.3 mio.

Management Board

- David Morrison, Executive Director

The management board carried out its activities on a honorary basis.

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 2025 financial year, the Foundation employed an average of ten employees in addition to the Executive Director

Frankfurt am Main, May 22 2026

Caucasus Nature Fund (CNF)

The Management Board

Development of fixed assets in the 2025 fiscal year

	Acquisition costs				Accumulated amortization and depreciation				Book value	Book value
	01.01.2025 EUR	Additions EUR	Disposals EUR	31.12.2025 EUR	01.01.2025 EUR	Additions EUR	Disposals EUR	31.12.2025 EUR	31.12.2025 EUR	31.12.2025 EUR
A. Fixed assets										
I. Intangible assets										
Trademarks and similar rights	4.410,12	0,00	0,00	4.410,12	1.537,12	441,00	0,00	1.978,12	2.432,00	2.873,00
II. Property, plant and equipment										
Operating and office equipment	95.798,37	44.840,49	3.216,89	137.421,97	60.264,20	17.954,49	3.214,89	75.003,80	62.418,17	35.534,17
III. Financial assets										
Long-term securities	74.235.274,44	22.742.420,41	22.781.782,10	74.195.912,75	200.275,50	646.014,71	0,00	846.290,21	73.349.622,54	74.034.998,94
Total fixed assets	74.335.482,93	22.787.260,90	22.784.998,99	74.337.744,84	262.076,82	664.410,20	3.214,89	923.272,13	73.414.472,71	74.073.406,11

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

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.