CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD

Annual Report for 2024

June 2025

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1. External Manager and other officers

External Manager:	IC REALTY LTD 232 Strovolou av. 2nd Floor, Strovolos 2048 Nicosia Cyprus
Independent Auditors:	Savva Frangous & Associates Limited 4 Annis Komninis Street, Solea Building, 3rd Floor, Office 303, 1060, Nicosia
Depositary:	Eurivex Ltd 18 Kyiakou Matsi, Victory Tower, 1st Floor, 1082, Nicosia
Legal Advisor:	Christys & Co. LLC 16 Sofouli Street, 3rd Floor, 1096, Nicosia
Bankers:	Eurobank Cyprus Ltd Crystal Bank Accord Bank
Registration Number:	HE 332098
License Number:	AIF38/20

2. Management summary

2.1. License

CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD (the "Fund" or the "AIF") was initially authorized to operate as an International Variable Capital Company and designated as a private International Collective Investment Scheme by the Central Bank of Cyprus under the International Collective Investment Schemes Law 47(I) of 1999 (now repealed). The Fund was licensed by the Cyprus Securities and Exchange Commission (the "CySEC" or the "Commission") on 08/06/2015 to operate as an Alternative Investment Fund addressed to a limited number of persons in the form of a limited liability company by shares. The Fund is a private company incorporated under the Companies Law, Cap. 113, authorized by the CySEC on 30/04/2018 to operate as an open-ended Alternative Investment Fund with variable capital in accordance with Part II of the Alternative Investment Funds Law 124(I)/2018.

2.2. Principal activities of the Fund

The Fund will seek to build a portfolio of real estate assets that balances risks and emphasizes strong cash flow. To spread risk the Fund will invest in different aspects of the real estate market, including but not limited to, commercial and residential projects, combining long-term strategy with medium-term flexibility to tackle market shifts. The investment type mix will include assets that can yield above-average returns, predominantly in the form of capital gains.

Preference will be given in City Centre properties (without excluding other opportunities) where properties are more resilient to market turmoil, being able to hold value and command higher premiums. The Fund may also elect to be invested in equity and fixed income securities when the market outlook or market conditions may favor such investments over those in real estate assets. Investment in such securities should not exceed 40% of the Fund's portfolio since the core Fund strategy of Real Estate investments should not be compromised.

2.3. Material changes during the financial year

There were material changes in the information listed in Section 30 of the Alternative Investment Fund Managers Law of 2013 to (No. 2) of 2021 (the "AIFM Law") were implemented during 2023, and specifically relating to the following:

The AIF's External Manager, Depositary, Auditor, or any other service provider, as well as their duties and the rights of investors, namely:

In June 20204, the External Manager applied for the replacement of the Risk Manager Position, from Mr. Vladyslav Lisovyi to Mr. Roman Bielic, following the resignation of the former.

In July 2024, the External Manager applied for the change of Accountant / NAV calculations / UCI Administration, from Mrs. Marine Mkhitarian to Mrs. Khrystyna Klyuka.

In December 2024, the External Manager applied for the replacement of the AML Compliance Officer, from Mr. Andrejus Jasinas Jr. to Mrs. Eleni Pita, following the resignation of the former.

No material changes in the information listed in Section 30 of the Alternative Investment Fund Managers Law of 2013 to 2021 (the "AIFM Law") were implemented during the financial year that ended 31 December 2024, and specifically relating to the following:

a) The AIF's investment strategy and objectives, the type of assets in which the AIF invests, the techniques that the AIF may employ, associated risks and investment restrictions including the use of leverage,
b) The procedure by which the AIF may change its investment strategy or investment policy or both,
c) Legal implications of the contractual relationship entered into for the purpose of investments,
d) The delegation of any management functions,
e) The AIF's valuation procedure and of the pricing methodology for valuing asset,
f) The AIF's liquidity risk management, including the redemption rights of investors,
g) The fees, charges and expenses which are directly or indirectly borne by investors,
h) The procedure and conditions for the issue and sale of units, and
i) Disclosure methodologies used.

2.4. External Manager

The AIF is managed by IC Realty Ltd (the "External Manager"), an Alternative Investment Fund Manager incorporated in Cyprus as a private limited liability company. As per the information provided by the External Manager, the total amount of fixed remuneration paid to the senior management (3 beneficiaries) and to other staff members (2 beneficiaries) was EUR 146,294. No variable remuneration was paid to senior management and members of the staff for the year ended 31 December 2024.

The External Manager fully complies with the provisions of Section 9 of the AIFM Law, that is, it has sufficient capital to cover its minimum capital requirements and cover professional liability risks.

The External Manager has established adequate risk management systems, both organizational elements and policies and procedures to measure and manage risks in relation to the AIF. To that effect, the External Manager established and maintains a permanent risk management function and documents an adequate overall risk strategy as well as an adequate risk management policy for the AIFs. It has also taken appropriate functional arrangements to implement its risk management policy and ensure regular reporting on risk management matters to its internal governing bodies.

2.5. Principal risks to which the AIF may be exposed

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Fund's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Fund's market price risk is managed through diversification of the investment portfolio.

Interest rate risk:
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Fund to cash flow interest rate risk. Borrowings issued at fixed rates expose the Fund to fair value interest rate risk. The Fund's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk:
Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favorable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

Liquidity risk:
The Fund may have a risk that a particular investment may be difficult to purchase or sell and that the Fund may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market for such assets.

Private Equity Risk:
Investments in private equity are very illiquid assets in nature and investors may not be able to redeem their investment at any given time. The fund's private equity investments will be subject to the general risks, incidental to the ownership of private equity, including operational risks, funding risks, liquidity issues, market risks factors, raising of capital factors and environmental factors. The marketability and value of any asset owned by the fund on behalf of compartments will, therefore, depend on many factors beyond the control of the fund and there is no assurance that there will be either a ready market for any equity or that such private equities will be sold at a profit or will yield a positive cash flow.

Currency Risks:
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Fund's measurement currency. The Fund is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro, Ukrainian Hryvnia and the USD dollar. The Fund's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly

Political risk:

This type of risk is related to the possibility of internal social disturbances and unfavorable economic changes. This risk refers to the possibility that the government of a country may change the legislative and business environment in a way that is detrimental to companies.

Ukraine's political risk has increased significantly due to recent conflict between Russia and Ukraine. The political unrest in Ukraine led to a very volatile environment for companies with interests in the region. They faced the potential for damage to assets through political violence and possible broader expropriation measures. As at the date of authorizing this Annual Report, the conflict continues to evolve as military activity proceeds.

Property valuation risk:

Valuing property related assets is quite subjective. Property valuations are often made on the basis of assumptions that may not reflect the true position of the property. As a result, there is no assurance that valuations of property related assets will reflect actual sale prices.

Real estate risk:

Rents and values of property related assets may be adversely affected by changes in general economic conditions, changes in supply and demand, changes in regulatory requirements and applicable laws (particularly in relation to taxation), political conditions and interest and inflation rate fluctuations. As a result, the fund's performance may be negatively affected by a downturn in the real estate market in terms of rental and capital values.

Volatility:

According to the investment strategy, the Fund will seek to invest in instruments with low volatility. There is no guarantee however, that this will always be achieved. Price movements of the investment instruments are influenced by, among other things, changing supply and demand relationships, governmental trade, monetary, fiscal and exchange control programs and policies, national and international political and economic events and changes in interest rates.

2.6. Financial results

The Fund’s financial results for the year are set out in the Audited Financial Statements enclosed as Appendix 1.

3. Report on the activities of the Fund for 2024

At the conclusion of 2024, the Fund had two investors who combined possessed 934,036 units. The total assets under management declined from EUR 57,053,399 in 2023 to EUR 56,748,441 at the end of 2024. This decline is attributable to currency depreciation, as the majority of the Fund's assets are denominated in Ukrainian Hryvnia (UAH) and US Dollars (USD), while the reporting currency is the Euro (EUR). The Fund's NAV per unit on 31 December 2024 stood at EUR 60.34, in contrast to EUR 60.68 per unit on 31 December 2023.

During 2024, the Ukrainian Hryvnia depreciated against the Euro, with the exchange rate shifting from approximately 40.20 UAH per EUR on 31 December 2023 to around 42.50 UAH per EUR on 31 December 2024. This depreciation of about 5.7% negatively impacted the EUR-denominated value of the Fund's Hryvnia-based assets.

The Fund implemented the following activities within its investment projects throughout the year:

- On 19.03.2024 the fund proceeded with a Redemption of 41,510,000 units from the STOCK COMPANY «CLOSED NON-DIVERSIFIED VENTURE CORPORATE INVESTMENT FUND «ERIDA»

- On 21.03.2024 the fund proceeded with a Redemption of 53,060,000 units from the STOCK COMPANY «CLOSED NON-DIVERSIFIED VENTURE CORPORATE INVESTMENT FUND «ERIDA»

- The Fund, having full ownership of the company "LLC KOVALSKA NERUKHOMIST," proceeded to the following investment. On 08.08.2024, "LLC KOVALSKA NERUKHOMIST" purchased shares worth 1,500,000.00 (one million five hundred thousand) hryvnias 00 kopecks, which is 50% of the authorised capital of the LIMITED LIABILITY COMPANY "ADMINISTRATIVE AND WAREHOUSE COMPLEX "KUDRYAVSKY." The shares were purchased from a company called JOINT STOCK COMPANY "CLOSED UNDIVERSIFIED VENTURE CORPORATE INVESTMENT FUND "ATLAS."

- On 08.08.2024, "LLC KOVALSKA NERUKHOMIST" purchased shares worth 1,500,000.00 (one million five hundred thousand) hryvnias 00 kopecks, which is 50% of the authorised capital of the LIMITED LIABILITY COMPANY "ADMINISTRATIVE AND WAREHOUSE COMPLEX "KUDRYAVSKY." The shares were purchased from a company called "LLC MANAGEMENT COMPANY "UKRAINIAN INVESTMENT COMPANY". As a result, the Fund became the sole Shareholder of the investment project "LIMITED LIABILITY COMPANY "ADMINISTRATIVE AND WAREHOUSE COMPLEX "KUDRYAVSKY, through the company "LLC KOVALSKA NERUKHOMIST".

- Cliff Capital Growth Fund V.C.I.C Ltd. also entered into a Shareholders' agreement on February 16, 2022, which was subsequently followed by an additional agreement on August 19, 2024, to become the sole shareholder of a company named "UNIT B04," a LIMITED LIABILITY COMPANY.

4. Events after the reporting period:

On 17.04.2025, the Fund had notified CySEC through its manager "IC Realty Ltd" of its intention to replace its existing non-executive directors, with three new proposed ones and awaits approval.

Yours sincerely,

Kypros Neocleous
Director of IC Realty LTD

5. Appendix 1 - Audited Financial Statements

CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD

FINANCIAL STATEMENTS
31 December 2024

CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD

FINANCIAL STATEMENTS
31 December 2024

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Andrejus Jasinas Svetlana Berezina
Company Secretary:	CSP FIDUCIARY SERVICE LIMITED Annis Komninis 4, Office 201 Solea Building 1060, Nicosia
Independent Auditors:	SAVVA FRANGOUS & ASSOCIATES LIMITED CHARTERED ACCOUNTANTS Annis Komninis 4 Solea, Office 303 1060, Nicosia Cyprus
Depositary	Eurivex Ltd Amalias 4, Dasoupoli 2014, Nicosia, Cyprus
Investment manager:	IC Realty Ltd - Appointed on 5th December 2023 Strovolou 232 Floor 2 2048 Strovolos, Cyprus
Legal Advisers:	Christys & Co LLC 16 Sofouli Street, 3rd floor Nicosia 1096 Cyprus
Registered office:	Strovolou 232, Floor 2 Strovolos 2048 Cyprus
Bankers:	Eurobank Cyprus Ltd Crystalbank Accordbank
Registration number:	HE332098

FUND BACKGROUND

CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD (the "Fund") is incorporated in Cyprus under the Companies Law, CAP 113, that was incorporated in Cyprus on 07/05/2014. The Company was initially recognized to operate as an International Variable Capital Company and designated as a private International Collective Investment Scheme by the Central Bank of Cyprus under the International Collective Investment Schemes Law 47(I) of 1999 (now repealed) and was recognized by the Cyprus Securities and Exchange Commission (the "CySEC" or the "Commission") on 8 June 2015 to operate as an Alternative Investment Fund addressed to a limited number of persons ("AIFLNP") in the form of a limited liability company by shares. The Company is a private company limited by shares incorporated under the Companies Law, Cap. 113, authorized by the CySEC on 30 April 2018 to operate as an Alternative Investment Fund as an open-end investment company of variable capital in accordance with Part II of the Alternative Investment Funds Law 124(I)/2018 or any other law which replaces or amends it.

Subscriptions / Redemptions / Settlement

For the acquisition of shares by an investor a subscription application form must be completed and submitted to the Company. Investors may subscribe to shares either during the Initial Offering Period or thereafter. The Initial Offering Period is defined as the one-month period following the Fund's Launch Date. The Directors may, in their discretion, extend or shorten the Initial Offering Period. Investors may subscribe for participating Shares during the Initial Offering Period at the initial price specified in the Fund's Memorandum (plus initial fees and bank charges). The minimum initial investment per subscriber of participating shares is €125,000 or the equivalent in US$.

The Fund cannot proceed to an investment prior to the end of the initial offering period. After the Initial Offering Period, Investors may subscribe for Shares at the end of every day, or such other date as the Directors may decide from time to time, at a price equal to the Net Asset Value per Share on the applicable Valuation Day. The minimum subsequent subscription per investor after inception is €125,000 or the equivalent in US$. An Investor may subscribe for Shares in cash or in specie or in a mixture of cash and in specie if such a contribution is approved by the Directors.

The units are redeemed at the redemption price of the next scheduled redemption date after the submission of the redemption application. The redemption price will be determined by the Unit NAV as derived from the valuation on the last valuation date.Unitholders shall have the right to redeem their Units but cannot demand and receive any Fund property in exchange for such Unit holder's interest in the Fund, except to the extent explicitly set forth in this Prospectus or the instruments of incorporation.The Company may by not less than four nor more than twelve weeks' notice to Shareholders of the Fund redeem at the Redemption Price on such Dealing Day, all of the Units in the Fund not previously redeemed.

Investment objective, strategy and policy

The Fund is initially operated as an open-ended Variable Capital Investment Company. The Fund's invetment policy is to build a portfolio of real estate assets, which balances risks and emphasizes strong cash flows.

The investment objective will be achieved by investing:

1) Directly in the real estate market;
2) Indirectly in the real estate market through the use of Special Purpose Vehicles; and
3) Indirectly in the real estate market through other real estate funds, real estate related equities and other financial instruments related to the property market, both listed and unlisted.

The Fund will invest in the Real Estate market in Ukraine and Germany. It may change its Investment Policy and Strategy for the purpose of enhancing investor returns or protecting their investment interests.

The Fund will focus its activities primarily on:
a) The erection, acquisition or lease of residential or commercial property for the purpose of leasing or renting it or selling it;
b) The acquisition, lease or sub-lease of movable and immovable property that may enhance in any way the value of any other property of the Fund; and
c) The erection, improvement and management of any shops, offices, flats and any other buildings which the Fund may consider desirable for the purposes of its business.

STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS RESPONSIBILITIES

The Directors are responsible for the overall management and control of the Company.The Directors shall have the power and authority to take any action from time to time as it may deem to be necessary, appropriate, or convenient in connection with the management and conduct of the business and affairs of the Fund. The Directors will delegate the portfolio management, risk management, fund administration, and valuation functions to the External Manager through the AIF Management Agreement. Their tenures are indefinite, but they may be removed, with or without cause, by the company's majority Management Shareholder(s) and replaced by professionals of similar qualifications and experience. Prior to any changes to the Fund, CySEC must be notified and confirm any changes.

Borrowing Powers

The Board of Directors may exercise all the powers of the Company to borrow money, and to charge or mortgage its undertaking, property, as well as the Capital that has not been called yet for payment or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Powers and duties of the Member of Board of Directors

- The business of the Fund shall be managed by the Board of Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such power of the Company as are not, by the Law or by these Regulations, required to be exercised by the Company in general meeting, subject, nevertheless to any of these Regulations, to the provisions of the Law and to such Regulations, being not inconsistent with the aforesaid Regulations or provisions as may be prescribed by the Company in general meeting but no Regulation made by the Company in general meeting shall invalidate any prior act of the Board of Directors which would have been valid if that Regulation had not been made.
- The Board of Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company.
- The Fund may exercise the powers conferred by section 36 of the Law with regard to having an official seal for use abroad, and such powers shall be vested in the Board of Directors.
- The Fund may exercise the powers conferred upon the Company by sections 114 to 117 (both inclusive) of the Law with regard to the keeping of a dominion register, and the Directors may (subject to the provisions of those sections) make and vary such Regulations as they may think fit respecting the keeping of any such register.

A member of the Board of Directors who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Board of Directors in accordance with section 191 of the Law.
Members of the Board of Directors may vote in respect on any contract or proposed contract or arrangement notwithstanding that they may be interested therein and if they do so their vote shall be counted, and their presence may be counted in the quorum at any meeting of the Board of Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration
Members of the Board of Directors may hold any other office or position of profit under the Company (other than the office of auditor) in conjunction with their capacity as Directors for such period and on such terms (as to remuneration and otherwise) as the Board of Directors may determine.
Members of the Board of Directors may act by themselves or their firm in a professional capacity for the Company, and shall be entitled to remuneration for professional services as if they were not Members of the Board of Directors. Nothing herein contained shall authorise a member of the Board of Directors or their firm to act as auditor to the Company.

By order of the Board of Directors,

Andrejus Jasinas
Director

Nicosia, 27 June 2025

Independent Auditor's Report

To the Members of CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of parent company CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD (the "Company"), which are presented in pages 7 to 38 and comprise the statement of financial position as at 31 December 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes of the financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Qualified Opinion

We were unable to obtain sufficient information for the valuation of investments in Subsidiaries as the financial statements did not prepare under IFRS's at 31 December 2024. Additional we were unable to obtain sufficient information due to the collectability of loans receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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Savva Frangous & Associates Ltd. is registered in Cyprus No. HE 166858
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For register of directors visit our website at: www.sfa-advisors.com/who-we-are

Independent Auditor's Report (continued)

To the Members of CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditor's Report (continued)

To the Members of CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Constantinos G. Savva
Certified Public Accountant and Registered Auditor
for and on behalf of
SAVVA FRANGOUS & ASSOCIATES LIMITED
CHARTERED ACCOUNTANTS

Nicosia, 27 June 2025

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 December 2024

	Note	2024 €	2023 €
Return on investments for the year	8	**16,930**	-
Dividend income		**2,182,899**	2,638,670
Loan interest income		**984,424**	983,324
Net fair value gains on financial assets at fair value through profit or loss	17	**-**	1,106,413
Total revenue		**3,184,253**	4,728,407
Loss from sales of financial assets at fair value through profit or loss		**-**	(2,575)
Custodian fees		**20,894**	9,354
Administration fees		**23,832**	34,253
Directors' fees		**1,000**	-
Audit and legal fees		**4,998**	4,760
Management and performance fees		**110,437**	86,667
Valuation expenses		**-**	350
License and Permits		**1,800**	2,050
Total operating expenses		**162,961**	137,434
Other operating income	9	**-**	31,348
		3,021,292	4,619,746
Net impairment loss on financial and contract assets		**(1,023,446)**	(3,409,927)
Administration and other expenses	10	**(715,469)**	(35)
Operating profit	**11**	**1,282,377**	1,209,784
Finance income		**1,091,465**	-
Finance costs		**(4,742)**	(857,055)
Net finance income/(cost)	12	**1,086,723**	(857,055)
Profit before tax		**2,369,100**	352,729
Tax	13	**(165,085)**	(139,010)
Net profit for the year		**2,204,015**	213,719
Other comprehensive income		**-**	-
		2,204,015	213,719

STATEMENT OF FINANCIAL POSITION
31 December 2024

	Note	2024 €	2023 €
ASSETS			
Non-current assets			
Investments in subsidiaries	14	**941,899**	1,910,634
Non-current loans receivable	15	**20,330,032**	19,244,101
		21,271,931	21,154,735
Current assets			
Cash and cash equivalents	18	**545,408**	76,804
Receivables	16	**2,396,858**	2,572,772
Receivables from own subsidiaries	24	**901,629**	-
Financial assets at fair value through profit or loss	17	**30,776,702**	29,839,163
		34,620,597	32,488,739
Total assets		**55,892,528**	53,643,474
EQUITY AND LIABILITIES			
Equity			
Share capital	19	**10,000**	10,000
Redeemable shares	20	**55,457,510**	53,253,495
Total equity		**55,467,510**	53,263,495
Current liabilities			
Creditors and accruals	21	**95,363**	16,339
Payables to unit holder	24	**220,000**	220,308
Payables to other related parties	24	**7,617**	7,617
Current tax liabilities	22	**102,038**	135,715
		425,018	379,979
Total equity and liabilities		**55,892,528**	53,643,474

On 27 June 2025 the Board of Directors of CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD authorised these financial statements for issue.

....
Andrejus Jasinas
Director

....
Svetlana Berezina
Director

The notes on pages 11 to 38 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
31 December 2024

	Share capital €	Redeemable shares €	Total €
Balance at 1 January 2023	**10,000**	**53,039,775**	**53,049,775**
Net profit for the year	-	213,720	213,720
Balance at 31 December 2023/ 1 January 2024	**10,000**	**53,253,495**	**53,263,495**
Net profit for the year	-	2,204,015	2,204,015
Balance at 31 December 2024	**10,000**	**55,457,510**	**55,467,510**

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

STATEMENT OF CASH FLOWS
31 December 2024

	Note	2024 €	2023 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**2,369,100**	352,729
Adjustments for:			
Unrealised exchange (profit)/loss		**(1,091,465)**	855,221
Fair value losses/(gains) on financial assets at fair value through profit or loss		**715,469**	(1,106,413)
Impairment charge - investments in subsidiaries	14	**-**	2,447,722
Impairment charge on loans to related parties	24	**1,023,446**	962,205
Dividend income		**(2,182,899)**	(2,638,670)
Interest income		**(984,424)**	(983,324)
		(150,773)	(110,530)
Changes in working capital:			
Decrease in receivables		**268,152**	3,277,175
Increase in receivables from own subsidiaries		**(901,629)**	-
Increase in financial assets at fair value through profit or loss		**(937,539)**	(918,962)
Increase/(decrease) in creditors and accruals		**79,024**	(532,951)
(Decrease)/increase in payables to unit holders		**(308)**	190,190
Increase in payables to other related parties		**-**	7,617
Cash (used in)/generated from operations		**(1,643,073)**	1,912,539
Interest received		**984,424**	983,324
Dividends received		**2,182,899**	2,638,670
Tax paid		**(198,762)**	(111,455)
Net cash generated from operating activities		**1,325,488**	5,423,078
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of investments in subsidiaries	14	**-**	(4,358,353)
Loans granted		**(984,424)**	(983,324)
Net cash used in investing activities		**(984,424)**	(5,341,677)
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
Net increase in cash and cash equivalents		**341,064**	81,401
Cash and cash equivalents at beginning of the year		**76,804**	5,777
Effect of exchange rate fluctuations on cash held		**127,540**	(10,374)
Cash and cash equivalents at end of the year	**18**	**545,408**	76,804

The notes on pages 11 to 38 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company CLIFF CAPITAL GROWTH AIF V.C.I.C. LTD (the "Company") was incorporated in Cyprus on 7th May 2014 0 as an Alternative Investment Fund with Limited Number of Persons recognized under the Alternative Investment Fund Law (L.131(I)/2014) and relevant Directives as Variable Capital Investment Company. The Fund will be a private company limited by shares incorporated under the Companies Law, Cap. 113, authorized by the Cyprus Securities and Exchange Commission on 30 April 2018 to operate as an Alternative Investment Fund as an open-end investment company of variable capital in accordance with Part II of the Alternative Investment Funds Law 124(I)/2018 or any other law which replaces or amends it. Its registered office is at Strovolou 232, Floor 2, Strovolos, 2048, Cyprus.

Principal activity

The principal activity of the Fund is to achieve above average returns (on a risk adjusted basis) by investing in a portfolio of diversified real estate holdings.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and are effective for accounting periods beginning on 1 January 2024. This adoption did not have a material effect on the accounting policies of the Company.

4. Material accounting policy information

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are classified as investments at fair value through profit or loss and are measured at fair value. Gains or losses on investments in subsidiary companies are recognised in profit or loss.

4. Material accounting policy information (continued)

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

- **Interest income**

  Interest income is recognised on a time-proportion basis using the effective interest method.

- **Dividend income**

  Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

4. Material accounting policy information (continued)

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.The Company's capital is denominated in Euros, and Shares may be issued and redeemed in Euros, or any such other currency or currencies as may from time to time be determined or in specie (where assets may be denominated in any currency). Certain of the assets of the Company may, however, be denominated in currencies other than in the currency in which the Shares are subscribed for. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Company will necessarily be subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominately in other currencies should take into account the potential risk of loss arising from fluctuations in value between the Euro and such other currencies.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

4. Material accounting policy information (continued)

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

4. Material accounting policy information (continued)

Financial assets - Measurement (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

4. Material accounting policy information (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

4. Material accounting policy information (continued)

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Credit related commitments

The Company issues commitments to provide loans. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Company will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Company cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4. Material accounting policy information (continued)

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

4. Material accounting policy information (continued)

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible notes denominated in Euro that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified.

Share capital

The initial share capital of the Company is equivalent to EUR 125,000 (one hundred and twenty-five thousand euro) represented by:
a)100 (one hundred) Management Shares with no nominal value but offered at initial price of €100 (one hundred euro),
b) 1,150 (one thousand and one hundred and fifty-five) Participating Shares with no nominal value, but offered at initial price of €100 (one hundred euro).The issued capital of the Company, related to the Participating Shares is variable.

Convertible preference shares

The component of the convertible preference shares that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. The corresponding dividends on those shares are charged as interest expense in profit or loss.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

4. Material accounting policy information (continued)

NET ASSET VALUE

The valuation of the assets of each of the Portfolios will be determined by the Fund's Manager in accordance with the Fund's Articles of Association on each day which is a business day in Cyprus and will be equal to the value of all the assets of each of the Portfolios, less all the liabilities there of. The net asset value per participating share will be calculated at the time of each determination by dividing the value of the Fund's net assets by the number of participating shares relating to each of the Portfolios then in issue, or deemed to be in issue, determined and calculated as set out in the Fund's Articles of Association.

(A) Property related investments will be valued by an independent property valuer and their price will not be appreciated higher or lower respectively than the valuation.

(B) Any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at the closing midmarket price (the average of the closing bid and closing offer prices), as at the relevant Valuation Date, and adjusted in such manner as the Directors, in their sole discretion, think fit, having,regard to the size of the holding. Where prices for a particular security are available from more than one securities exchange or similar electronic system the Directors will in their sole discretion determine which of those prices shallapply.

(C) Deposits will be valued at their cost plus accrued interest.

(D) Any value (whether of an investment or cash) otherwise than in EUR will be converted into EUR at the rate (whether official or otherwise) which the Directors in their absolute discretion deem applicable as at close of business on the relevant Valuation Date, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange

(E) All other assets unless valued in accordance with Paragraphs (A& B) above will be valued on the basis of the latest available valuation provided by the relevant counterparty or by a method deemed by the Directors to be appropriate.

The Directors may, at their discretion, permit other methods of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good valuation practice. The Directors may, at their discretion, adjust the value of an asset downwards (but not upwards) if they feel that the valuation of the asset is overly optimistic

The Net Asset Value per Share on any Valuation Date is calculated by dividing the Net Asset Value by the number of Participating Shares.

4. Material accounting policy information (continued)

Temporary suspension of Net Asset Value calculations and of issues, redemptions and exchanges of Shares

The Directors may declare a temporary suspension of the determination on any Valuation Date of the Net Asset Value (and hence the Net Asset Value per Share) during:

(A) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Company's investments or when trading thereon is restricted or suspended

(B) any period when any emergency exists as a result of which disposal by the Company of investments which constitute a substantial portion of its assets is not practically feasible

(C) any period when for any reason the prices of a significant part of investments of the Company cannot be reasonably, promptly or accurately ascertained by the Company

(D) any period when remittance of monies which will, or may be, involved in the realization of, or in the payment for, investments of the Company cannot, in the opinion of the Directors, be carried out at normal rates of exchange or

(E) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from the Company's account.

No Shares will be issued, redeemed or exchanged on any Business Day when the determination of the Net Asset Value is suspended. In such a case, a Shareholder may withdraw his Share application or redemption or exchange request, provided that a withdrawal notice is actually received by the Administrator before the suspension is terminated. Unless withdrawn, Share applications and redemption or exchange requests will be acted upon on the first Dealing Day after the suspension is lifted at the relevant Subscription Price (defined as the price set by the Administrator at which new Shares can be acquired and will usually be equal to the Net Asset Value per Share plus any additional fees that may apply e.g. selling fee) or relevant Redemption Price (as the case may be) prevailing on that Dealing Day.

Notice of the suspension and its termination will be given to all persons who have applied for or requested redemption or exchange of Shares. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

6. Financial risk management

Financial risk factors

The nature of Investment is such that the Company may not be a suitable investment for investors other than those who are knowledgeable in investment matters, are able to bear the economic risk of the investment, understand the risk involved, believe that theinvestment is suitable for their particular investment objective and financial needs and have no need for liquidity of investment. Should any non-professional investor invest in the Fund, it is advisable that only a part of the sums that an investor intends for long-term investment should be so invested. It is also advisable that they should seek advice from a professional investment advisor before making the investment. An investment in the fund is subject to a number of risk factors, in part because of the nature of the real estate and securities business, the geographical locations in which the fund will invest and the investment strategies that will be employed by the investment manager. Prospective investors should note that the value of the shares in the fund may decrease and they may not realize their initial investment. The paragraphs below set out the risks that a potential investor should bear in mind. There may be additional risks that the fund is not aware which may also have an adverse effect upon the fund. An investment in the fund should only be made by persons who are able to bear the risk of loss of the capital invested market price risk, interest rate risk, credit risk, liquidity risk, currency risk, operational risk and other risks arising from the financial instruments it holds. The risk management policies employed by the Fund to manage these risks are discussed below:

6.1 Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Fund's financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Fund's market price risk is managed through diversification of the investment portfolio.

The Company may encounter additional risks when entering into any type of transaction including investing in securities in developing markets, or government debt issued by countries in such markets. Such risks include:

Country Risk: the value of the Company's assets may be affected by political, legal,economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

Market Characteristics: developing markets are in the early stages of their development.Consequently, they are less liquid, less regulated and experience greater volatility thanmore established markets. Settlement of transactions may be subject to delays and administrative uncertainties.

Custody Risk: custodians may not be able to offer the level of service regarding safekeeping, settlement and administration of securities that is customary in more developed markets. Furthermore, there is a risk that the Company will not be recognised as the owner of assets held on its behalf by a sub-custodian.

6.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates. Other than cash at bank which attract interest at normal commercial rates, the Company has no other significant interest bearing financial assets or liabilities. Interest bearing assets issued at variable rates expose the Company to cash flow interest rate risk. Interest bearing assets issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

6.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises fair value through profit or loss (FVTPL).

(i) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- credit commitments

6. Financial risk management (continued)

6.3 Credit risk (continued)

(i) Impairment of financial assets (continued)

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(i) Impairment of financial assets (continued)

Low credit risk

The Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Receivables from related parties

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Company assesses whether there was a significant increase in credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2024 and 31 December 2023:

The Company does not hold any collateral as security for any receivables from related parties.

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(i) Impairment of financial assets (continued)

Cash and cash equivalents (continued)

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

(ii) Net impairment losses on financial and contract assets recognised in profit or loss

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets and contract assets:

Impairment losses	**2024**	2023
	€	€
Impairment charge - investments in subsidiaries	**-**	(2,447,722)
Impairment charge - loans to related parties	**(1,023,446)**	(962,205)
Net impairment loss on financial and contract assets	**(1,023,446)**	(3,409,927)

(iii) Financial assets at fair value through profit or loss

6.4 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2024	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Creditors and accruals	79,505	79,505	-	79,505	-	-	-
Payables to related parties	227,617	227,617	-	227,617	-	-	-
	307,122	**307,122**	**-**	**307,122**	**-**	**-**	**-**

31 December 2023	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Creditors and accruals	7,387	7,387	-	7,387	-	-	-
Payables to related parties	227,925	227,925	-	227,925	-	-	-
	235,312	**235,312**	**-**	**235,312**	**-**	**-**	**-**

6. Financial risk management (continued)

6.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the UHA.. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Fund will focus in Ukraine. Any investment in a foreign country involves the risk of adverse political developments, including nationalization, confiscation without fair compensation, acts of terrorism or war. Furthermore, foreign jurisdictions may impose restrictions to prevent capital flight, which could make it difficult or impossible to exchange or repatriate foreign currency. In addition, laws and regulations of foreign countries may impose restrictions or approvals which would not exist in the investor's country of origin and may require financing and structuring alternatives which differ significantly from those customarily used in the investor's country of origin. The External Manager will analyze risks in the respective Target Markets before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Fund. It is likely that the risks referred to in this section are more prevalent in the Target Market than in most developed Western Markets.

The reference currency of the Fund may be different that the currency of the investments. Fluctuations in exchange rates between the reference currency and the relevant local currencies may directly or indirectly affect the value of the Fund's portfolios and the ultimate rate of return realized by the investors.

The following significant exchange rates have been applied during the year.

	Average rate		**Year-end spot rate**	
	2024	2023	**2024**	2023
UAH 1	**0.0230**	0.0253	**0.0227**	0.0237

6.6 Risks specific to the Fund
Although the key members of the Investment Manager have extensive experience in asset management and in real estate investment, the underlying Company has a limited operating history.

The performance of the fund will depend primarily and significantly upon the performance of the investment manager. If the investment manager does not have the ability to identify and acquire suitable properties at satisfactory yields the fund's ability to achieve the desired returns will be limited. Additionally, the property market is sometimes characterized by intense competition. As a result market prices of properties identified by the fund as suitable for investment may be driven up by other potential buyers. The existence of such competition may have a negative effect on the fund's ability to purchase properties at satisfactory prices and terms. Furthermore, increasing competition may lead to a reduction in the number of available investment opportunities, which in turn will result in lower growth rates and earnings for the fund.

Unethical or illegal behaviour: This is the risk that the Company might suffer damages as a result of unethical behaviour of persons, with which it has contractual relations, including persons from the Company's management. In order to control this risk the Board of Directors has developed internal rules for ethical behaviour, meeting the requirements of the Code of Ethics and Standards of Practice adopted by the CFA Institute and the CySEC Asset Management code of conduct. The risk of unethical or illegal behaviour by any contractor to the Company would be minimised by the careful preliminary analysis of these potential partners and their reputation.

6. Financial risk management (continued)

6.7 Other risks
The general economic environment prevailing in Cyprus and internationally may affect the Fund's operations to a great extent. Economic conditions such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and any variation in these and the economic environment in general may create chain reactions in all areas hence affecting the Fund. The general risks are risks affecting the wider economy of a country. In this effect the Company will use a bottom-up approach in its investment procedure analysing the macro-economic outlook of a country, the political outlook and any other potential risks related with the economy prior to deciding on the attractiveness of a market.

Unfavourable changes in tax and other laws: The avoidance of double taxation and in particular the profit tax exemption are of primary significance for the financial results of the Company and for the income of its shareholders. It is not certain whether and for how long the Company and its shareholders will profit from favourable tax environment. In addition,the activities of the Company are subject to detailed and multi-aspect legal regulation.There is no guarantee that the legislation related to the activities of the Company might not be changed in an unfavourable direction, involving considerable unforeseen expenses which would negatively affect its profit.

Risk of an economic slowdown: The slowing down of economic growth could lead to lower purchasing power and therefore to lower consumption and investments which would inevitably affect demand and hence the profit of the Company

Inflation risk: The risk of inflation is related to decrease of the real purchasing power of the economic agents and the possible decrease in the value of assets denominated in local currency.

Other system risks: Another risk affecting the business environment is the possibility of military operations in a region. Calamities and disasters are factors that complicate every risk control system. The consequences of extreme situations are difficult to predict but their potential negative impact may be minimised through the implementation of an emergency forecasting system and an emergency action plan.

Property valuation risk: Valuing property related assets is quite subjective. Property valuations are often made on the basis of assumptions that may not reflect the true position of the property. As a result there is no assurance that valuations of property related assets will reflect actual sale prices.

Real estate risk: rents and values of property related assets may be adversely affected by changes in general economic conditions, changes in supply and demand, changes in regulatory requirements and applicable laws (particularly in relation to taxation), political conditions and interest and inflation rate fluctuations. As a result the fund's performance may be negatively affected by a downturn in the real estate market in terms of rental and capital values.

Volatility: According to the investment strategy, the Fund will seek to invest in instruments with low volatility. There is no guarantee however, that this will always be achieved. Price movements of the investment instruments are influenced by, among other things, changing supply and demand relationships, governmental trade, monetary, fiscal and exchange control programs and policies, national and international political and economic events and changes in interest rates.

7. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

7. Critical accounting estimates and judgments (continued)

Judgments

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Calculation of loss allowance**

  When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

  Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

  Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Impairment of investments in subsidiaries**

  The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

7. Critical accounting estimates and judgments (continued)

- **Impairment of loans receivable**

  The Company periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

- **Valuation of non-listed investments**

  The Company uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

8. Return on investments

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

Disaggregation of revenue	**2024**	2023
	€	€
Profit from sale of available-for-sale financial assets	**16,930**	-
	16,930	-

9. Other operating income

	2024	2023
	€	€
Creditor's written-off	**-**	31,348
	-	31,348

10. Administration and other expenses

	2024	2023
	€	€
Fair value losses on financial assets at fair value through profit or loss	**715,469**	-
Fines	**-**	35
	715,469	35

11. Operating profit

	2024 €	2023 €
Operating profit is stated after (crediting) the following items:		
Profit from sale of available-for-sale financial assets	**(16,930)**	-

12. Finance income/(costs)

	2024 €	2023 €
Finance income		
Unrealised foreign exchange profit	**1,091,465**	-
	1,091,465	-
Finance costs		
Sundry finance expenses		
Bank charges	**(4,742)**	(1,834)
Net foreign exchange losses		
Unrealised foreign exchange loss	**-**	(855,221)
	(4,742)	(857,055)
Net finance income/(costs)	**1,086,723**	(857,055)

13. Tax

	2024 €	2023 €
Corporation tax	**23,521**	7,076
Overseas tax	**141,564**	131,934
Charge for the year	**165,085**	139,010

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2024 €	2023 €
Profit before tax	**2,369,100**	352,729
Tax calculated at the applicable tax rates	**296,138**	44,091
Tax effect of expenses not deductible for tax purposes	**233,781**	545,516
Tax effect of allowances and income not subject to tax	**(506,398)**	(566,250)
Tax effect of tax losses brought forward	**-**	(16,924)
10% additional charge	**-**	643
Overseas tax in excess of credit claim used during the year	**141,564**	131,934
Tax charge	**165,085**	139,010

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 17%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

13. Tax (continued)

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

14. Investments in subsidiaries

	2024 €	2023 €
Balance at 1 January	**1,910,634**	3
Additions	**-**	4,358,353
Impairment charge	**-**	(2,447,722)
Share capital reduction	**(968,735)**	-
Balance at 31 December	**941,899**	1,910,634

During 2024 subsidiary company LLC 'BLUESTONE' decreased its total share capital from UAH184,786,000 to UAH105,575,000. Based on the General Meetings of the BoD of LLC 'Bluestone, the share capital of shareholders will be reduced equal by 50%. The fund by 31.12.2024 holds authorized capital of the Company with a nominal value of UAH 52,787,500.00.

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %	2024 €	2023 €
LLC 'Unit B04'	Ukraine	Leasing and operation of own or leased real estate	50	**1**	1
LLC 'Unit B06'	Ukraine	Leasing and operation of own or leased real estate	50	**1**	1
LLC 'Kovalska Real Estate'	Ukraine	Organization of construction of buildings	100	**1**	1
LLC' Bluestone'	Ukraine	Construction of residential and non-residential buildings	50	**941,896**	1,910,631
				941,899	1,910,634

15. Non-current loans receivable

	2024 €	2023 €
Balance at 1 January	**19,244,101**	19,937,314
Interest charged	**983,263**	983,324
Exchange difference	**1,140,600**	(714,332)
Impairment loss	**(1,037,932)**	(962,205)
Balance at 31 December	**20,330,032**	19,244,101

15. Non-current loans receivable (continued)

	2024	2023
	€	€
Loans to own subsidiaries (Note 24.4)	**23,856,105**	21,596,976
Loss allowance on loans receivable	**(3,526,073)**	(2,352,875)
	20,330,032	19,244,101

The loans are repayable as follows:

	2024	2023
	€	€
Between one and five years	**20,330,032**	19,244,101

The Company's loans receivable are denominated in the following currencies:

	2024	2023
	€	€
United States Dollars	**23,994,992**	21,596,976
	23,994,992	21,596,976

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

The Fund entered into the loan agreement B06-1, with subsidiary company LLC 'UNIT B06' on 15/1/21 for the amount of $9,137,347. The loan bears 5% interest and the agreed maturity date considered the 29/10/2027. The balance as at 31 December 2024 was $5,657,550 principal amount and $968,443 accrued interest.

The Fund entered into the loan agreement B06-2, with subsidiary company LLC 'UNIT B06' on 15/1/21 for the amount of $9,137,347. The loan bears 5% interest and the agreed maturity date considered the 29/10/2027. The balance as at 31 December 2024 was $5,657,550 principal amount and $968,443 accrued interest.

The Fund entered into the loan agreement B04-1, with subsidiary company LLC 'UNIT B04' on 15/1/21 for the amount of $8,192,084. The loan bears 5% interest and the agreed maturity date considered the 29/10/2027. On 31 May 2023 the amount of $4,974,550 as capital amount and the amount of $468,536 as accrued interest being assigned to LLC 'UNIT B06'. The terms of the loan remained unchanged. The balance of the new borrower LLC 'UNIT B06' as at 31 December 2024 was $ 4,974,550 as capital amount and $863,093 accrued interest.

The Fund entered into the loan agreement B04-2, with subsidiary company LLC 'UNIT B04' on 15/1/21 for the amount of $8,192,084. The loan bears 5% interest and the agreed maturity date considered the 29/10/2027. The balance as at 31 December 2024 was $4,974,550 principal amount and $863,093 accrued interest.

The effective interest rates on receivables (current and non-current) were as follows:

	2024	2023
Loans to own subsidiaries	**5%**	5%

16. Receivables

	2024	2023
	€	€
Deposits and prepayments	**464,088**	-
Accrued income	**1,932,770**	2,572,772
	2,396,858	2,572,772

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 6 of the financial statements.

17. Financial assets at fair value through profit or loss

	2024	2023
	€	€
Balance at 1 January	**29,839,163**	27,813,788
Additions	**3,977,498**	961,354
Disposals	**(2,357,809)**	(42,392)
Change in fair value	**(682,150)**	1,106,413
Balance at 31 December	**30,776,702**	29,839,163

Financial assets designated as at fair value through profit or loss are analysed as follows:

	2024	2023
	€	€
Financial assets at fair value through profit or loss		
Closed Non-Diversified Venture Corporate Investment Fund 'Erida'	**2,731,293**	5,182,860
Closed Non-Diversified Venture Corporate Investment Fund 'Stone'	**10,138,155**	5,499,634
Closed Non-Diversified Venture Corporate Investment Fund 'Paritet- Vt'	**2,702,082**	3,724,420
Closed Non-Diversified Venture Corporate Investment Fund 'Arren'	**3,401,173**	2,755,204
Closed Non-Diversified Venture Corporate Investment Fund 'Obriy'	**10,845,566**	11,697,077
Closed Non-Diversified Venture Corporate Investment Fund 'Neon Invest'	**765,513**	793,243
Closed Non-Diversified Venture Corporate Investment Fund 'Kovalska'	**192,920**	186,725
	30,776,702	29,839,163

In the statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

18. Cash and cash equivalents

Cash balances are analysed as follows:

	2024	2023
	€	€
Current accounts	**545,408**	76,804
	545,408	76,804

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

19. Share capital

	2024 Number of shares	**2024 €**	2023 Number of shares	2023 €
Registered				
Management shares of €100 each	100	10,000	100	10,000
Participating shares of €100 each	1,150	115,000	1,150	115,000
	1,250	**125,000**	1,250	125,000
Issued and fully paid				
Balance at 1 January	100	10,000	100	10,000
Balance at 31 December	**100**	**10,000**	100	10,000

The initial share capital of the Company is equivalent to €125,000 (one hundred and twenty-five thousand euro) represented by:

100 (one hundred) Management Shares with no nominal value but offered at initial price of €100 (one hundred euro),

1,150 (one thousand and one hundred and fifty) Participating Shares with no nominal value but offered at initial price of €100 (one hundred euro). The issued capital of the Company related to the Participating Shares is variable.

20. Redeemable shares

	2024 Number of shares	**2024 €**	2023 Number of shares	2023 €
Initial issue of Participating Shares				
Participating shares	125,000	125,000	125,000	125,000
	125,000	**125,000**	125,000	125,000
Issued and fully paid				
Redeemable "A" shares-				
Balance at 1 January	934,036	53,253,495	934,036	53,039,775
(Decrease) / Increase in net assets attributable to holders of redeemable shares	-	2,204,015	-	213,720
Balance at 31 December	**934,036**	**55,457,510**	934,036	53,253,495

The minimum subscription for the Participating Shares is €125,000 or its equivalent in any other currency unless otherwise determined by the Directors.

The number of investors of the Company who hold Management and Participating Shares is limited to fifty.

Units in issue

The Company had 934,036 units in issue as of 31 December 2024, and these were held by two (2) unit holders.

NAV per Unit

The NAV per unit (as per above results) as of 31 December 2024, was €59.37 per unit (rounding up).

21. Creditors and accruals

	2024	2023
	€	€
Trade payables	79,505	7,387
Accruals	15,858	8,952
	95,363	16,339

The fair values of creditors and accruals due within one year approximate to their carrying amounts as presented above.

22. Current tax liabilities

	2024	2023
	€	€
Corporation tax	5,399	7,076
Overseas tax	96,639	128,639
	102,038	135,715

23. Operating Environment of the Company

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, the Company is not directly exposed. Management will continue to monitor the situation closely and take appropriate actions when and if needed.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Company has the following exposures in Ukraine, the Russian Federation and Belarus:

- Subsidiaries and associates

23. Operating Environment of the Company (continued)

- Loans receivables
- Bank accounts

Operating in Russia, Belarus and Ukraine involves some risk of political instability, which may include changes in government, negative policy shifts and civil unrest. Financial and economic sanctions imposed by the global community on certain sectors of the Russian economy as well as businesses and individuals in Russia in the first quarter of 2022, and the counter-measures imposed by Russia on the United States of America, United Kingdom and European Union, may potentially pose a risk to the Company's operations. These factors may have a negative impact on the Company's supply arrangements, capital flows and ability of the Company to secure external financing.

The Company actively monitors political developments on an ongoing basis. However, the macroeconomic situation in Ukraine, Russia and Belarus is out of Management's control. The scope and impact of any new potential sanctions (and any counter-sanctions) is yet unknown, however they might further affect key Russian financial institutions as well as companies operating in the Russian Federation and Belarus.

Management has considered the unique circumstances that could have a material impact on the business operations and the risk exposures of the Company and has concluded that the main impacts on the Company's profitability/liquidity position may arise from:

- disruption in banking systems and capital markets
- restriction on cash balances
- impairments of financial and non-financial assets
- delays in planned business expansion
- increase in expected credit losses from trade receivables, debt investments and intercompany loans
- failure to meet contractual obligations and breach of loan covenants, triggering of subjective covenants (e.g., material adverse change clauses), amendments, or waivers in lending agreements, and/or debt default
- volatility/abnormally large changes in equity or debt securities, prices, commodity prices, foreign currency exchange rates, and/or interest rates after 31 December 2024 that will significantly impact the measurement of assets in the next 12 months
- announcing plans of discontinuance of major assets disposals

Management is in the process of reassessing their trading and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs, taking into consideration the main impacts identified above.

Management will continue to monitor the situation closely and assess/seek additional measures/committed facilities as a fall-back plan in case the crisis becomes prolonged.

24. Related party transactions

The following transactions were carried out with related parties:

24.1 Investment manager

On 5th of December 2023 the Fund entered into AIF Management Agreement, with IC Realty Ltd ("the External Manager") a limited liability company incorporated under the laws of the Republic of Cyprus (registration number HE359096) authorised by CYSEC as an Alternative Investment Fund Manager with license number AIFM24/56/2013. The External Manager's authorization allows for the management of AIFs engaged in Real Estate Strategies.

The External Manager shall exercise its discretionary investment management function and more specifically shall identify opportunities and operate within the parameters outlined by the Investment Strategy and policies set forth by the Investment Committee. The External Manager is responsible for monitoring the performance of the assets on a daily basis and for identifying the most opportune moment in which to dispose of an asset.

	Nature of transactions	**2024** €	2023 €
Guardo Assets Management Ltd	Management and Operational fees	-	80,000
IC Realty Ltd	Management and Operational fees	**111,800**	6,667
		111,800	86,667

Fund's Depositary

Eurivex Ltd is the Fund's appointed depositary under section 23(3) of the AIFM Law. The Depositary shall in general ensure that the AIF's cash flows are properly monitored and shall, in particular ensure that:

1) All payments made by or on behalf of investors upon the subscription of Units of an AIF have been received; and

2) All cash of the AIF has been booked in cash accounts opened in the name of the AIF or on the name of the AIFM acting on behalf of the AIF

Where the cash accounts are opened in the name of the Depositary acting on behalf of the AIF, no cash of the entity referred to in paragraph (b) of subsection (1) of the AIFM Law of 2013 and none of the Depositary's own cash shall be booked on such accounts.

The assets of the AIF shall be entrusted to the Depositary for safe-keeping, as follows:
1.The depositary shall verify the ownership of the AIF of such assets and shall maintain a record of those assets for which it is satisfied that the AIF holds the ownership of such assets;
2. The assessment whether the AIF holds the ownership shall be based on information or documents provided by the AIF and, where available, on external evidence;

24.2 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2024 €	2023 €
Directors' fees	**1,000**	600

24.3 Receivables from related parties

Name	Nature of transactions	**2024** €	2023 €
Related Parties	Other	**901,629**	-
		901,629	-

The receivable amount from related parties is relevant to the reduction of share capital of subsidiary company.

24. Related party transactions (continued)

24.4 Loans to related parties (Note 15)

	Terms	2024 €	2023 €
LLC 'UNIT B06'	Finance	**18,375,677**	11,481,040
LLC 'UNIT B04'	Finance	**5,619,315**	10,115,936
Less: Provision for impairment		**(3,526,073)**	(2,352,875)
		20,468,919	19,244,101

The loans to subsidiary companies LLC 'Unit B06' and LLC 'Unit B04' were provided with 5% interest, and a specified repayment date on 29/10/2027.

24.5 Payables to related parties

Name	Nature of transactions	2024 €	2023 €
Unit Holders	Finance	**220,000**	220,000
Other related parties	Finance	**7,617**	7,925
		227,617	227,925

25. Significant agreements with management

On 5th of December 2023 the Fund entered into AIF Management Agreement, with IC Realty Ltd ("the External Manager") a limited liability company incorporated under the laws of the Republic of Cyprus (registration number HE359096) authorised by CYSEC as an Alternative Investment Fund Manager with license number AIFM24/56/2013. The External Manager's authorization allows for the management of AIFs engaged in Real Estate Strategies.

26. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2024.

27. Commitments

The Company had no capital or other commitments as at 31 December 2024.

28. Events after the reporting period

As explained in note 23 the geopolitical situation in Eastern Europe and the Middle East remains intense with the continuation of the conflict between Russia and Ukraine and the Israel-Gaza conflict. As at the date of authorising these financial statements for issue, the conflicts continue to evolve as military activity proceeds and additional sanctions are imposed.

Independent auditor's report on pages 4 to 6