ADVENTUM QUARTUM CENTRAL EUROPE SICAV P.L.C.

Annual Report and Financial Statements
31 December 2024

Company Registration Number: SV 506

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DIRECTORS, OFFICERS AND OTHER INFORMATION

DIRECTORS

Mr. Kristóf Bárány
Mr. Balázs Deim (resigned on 25 November 2024)
Mr. Kyle Debono
Mr. Gabor Nemeth
Ms. Anabel Mifsud (appointed on 25 November 2024)
Ms. Lucrezia Piaggio (appointed on 28 February 2025)
Ms. Alexia Farrugia (appointed on 14 March 2025)

REGISTERED OFFICE

23, South Street,
Valletta VLT 1102
Malta

COUNTRY OF INCORPORATION

Malta

COMPANY REGISTRATION NUMBER

SV 506

COMPANY SECRETARY

Dr. Omar Zerafa

INVESTMENT MANAGER

Adventum International Ltd
23, South Street
Valletta VLT 1102
Malta

ADMINISTRATOR

Alter Domus Fund Services (Malta) Limited
Vision Exchange Building
Territorials Street
Zone 1, Central Business District
Birkirkara CBD 1070
Malta

DIRECTORS, OFFICERS AND OTHER INFORMATION (CONTINUED)

AUDITOR

Ernst & Young Malta Limited
Regional Business Centre
Achille Ferris Street
Msida MSD 1751
Malta

DEPOSITORY

European Depository Bank SA Malta
Quad Central, Q3 Level 9
Triq l-Esporaturi, Zone 1
Central Business District
Birkirkara, CBD 1040
Malta

BANK

Sparkasse Bank Malta p.l.c.
101, Townsquare
Ix-Xatt ta' Qui-si-Sana
Sliema SLM 3112

MALTA CENTRAL SECURITIES DEPOSITORY

Malta Stock Exchange p.l.c.
Garrison Chapel,
Castille Place,
Valletta VLT 1063
Malta

LEGAL ADVISORS

Zerafa Advocates
23, South Street,
Valletta VLT 1102
Malta

INDEPENDENT VALUERS

Cushman & Wakefield
The Warsaw Hub,
Ul. Rondo Daszyńskiego 2B
00-843 Warsaw, Poland

MANAGERS' REPORT

Investment Objective

The investment objective of Adventum Quartum Central Europe SICAV p.l.c ("the Company") is to achieve returns in the short-to-medium term under all market conditions. The target growth of the Company is a minimum of six percent (6%) per year with a target Internal Rate of Return ("IRR") of approximately twenty two percent (22%).

Investment Strategy

The Company intends to achieve its investment objectives by buying income producing real estate assets, primarily office buildings and shopping centres in Central Europe, particularly those located in Poland, the Czech Republic, Slovakia, Hungary and Romania (the "Target Region") that produce, or can produce after refurbishment, a yield of approximately eight to ten percent (8% to 10%) or higher. The Company may also target real estate investments in other European jurisdictions excluding Malta. Each real estate acquisition would be financed or refinanced at planned average of sixty percent (60%) loan-to-value (LTV) ratio, thus creating an additional value for the Investors with limited risk. The Company is investing in real estate assets through the use of Special Purpose Vehicles ("SPVs") which are domiciled in the country where the real estates are located.

Business Review

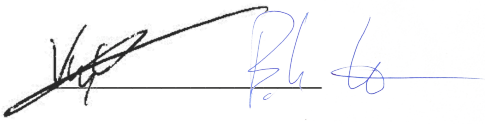
The Manager summarises the most important milestones of financial year ended 31 December 2024 as follows:

- During the financial year the Company provided loans to Centerus Sp Z.o.o, Hermes Invest Kft., Komal, PCRK Invest Zrt and Ren Plaza Sp Z.o.o for €2,310,000, €15,000, €800,000, €1,085,000, and €3,350,000 respectively;
- There have been repayments for the loans provided during the year from Centerus Sp.z.o.o., PCRK Invest Zrt, Ren Plaza Sp Z.o.o, Tophill Investments Sp.z.o.o., Keqi Kft. and Quarpol amounting to €750,000, €4,250,000, €4,000,000, €760,000, €740,000 and €2,000 respectively.

Fund Performance

By 31 December 2024, the value of Net Assets managed had reached €139,581,806 (2023: €142,048,534) resulting in a value of €132,179.7405 (2023: €134,515.6571) per share.

Investors who subscribed at the launch of the Company up to the First Closing, have seen more than 32.18% (2023: 34.52%) yield. The leverage at SPV-level is around 60.36% (2023: 62.73%).



Fund Manager

Date: 30/06/2025
On behalf of the Board of Directors of Adventum International Ltd.

DIRECTORS' REPORT

The Directors of Adventum Quartum Central Europe SICAV p.l.c. (the "Company"/"Fund") present herewith their report and audited annual financial statements for the year ended 31 December 2024. The Company was incorporated on 20 February 2019.

Principal Activities

The Company was formed on 20 February 2019 as a third party managed, stand-alone fund investment company with variable share capital (SICAV) incorporated with limited liability under the Laws of Malta and licensed on 12 March 2019 by the MFSA under the Investment Services Act, (Cap. 370 of the Laws of Malta) as a closed-ended Alternative Investment Fund targeting Qualifying Investors. This is given that during 2024, the Board of Directors approved to extend the lifespan of the Fund for a further two years until 31 December 2027 in line with the Offering Memorandum.The Company holds six SPVs (2023: seven) through which it holds real estates in the Target Region as detailed below. The SPV Quarpol Kft. has been liquidated during financial year 2024. The investment objective of the Company is to achieve returns in the short-to-medium term under all market conditions. The target growth of the Company is a minimum of six percent (6%) per year with a target Internal Rate of Return ("IRR") of approximately twenty two percent (22%).

Investment Strategy

The Company intends to achieve its investment objectives by buying income producing real estate assets, primarily office buildings and shopping centres in Central Europe, particularly those located in Poland, the Czech Republic, Slovakia, Hungary and Romania (the "Target Region") that produce, or can produce after refurbishment, a yield of approximately eight to ten percent (8% to 10%) or higher. The Company may also target real estate investments in other European jurisdictions excluding Malta. Each real estate acquisition would be financed or refinanced at planned average of sixty percent (60%) loan-to-value (LTV) ratio, thus creating an additional value for the Investors with limited risk.

All investments in real estate will be undertaken through the SPVs. The Company will notify the MFSA in relation to the directors and shareholders of SPVs used by the Company.

The Company may also invest up to twenty percent (20%) of its assets in other real estate AIFs managed by Adventum Zrt (registered address: Hungary, 1015 Budapest, Batthyány utca 3., Fsz. 1.; Company registration number: 01 10 044114). The Company does not intend to invest in other collective investment schemes managed by Adventum International Ltd. In this case no subscription and/or redemption fees can be charged by the AIF managed by Adventum Zrt, and any management fees charged by Adventum Zrt will be reduced from the management fees charged by Adventum International so only one set of management (excluding performance fee), subscription and/or redemption fees applies.

The Company may also invest a small part of its liquid assets in listed Euro (EUR) denominated government bonds with publicly quoted prices.

The Company called all available committed amount of €106,930,180 during 2021.

Results and Dividends
The results for the year are shown on pages 12-15.

As outlined in the Offering Memorandum of the Company, no dividend payment is intended to be distributed to the shareholders.

DIRECTORS' REPORT (CONTINUED)

Business review

In February 2022, following the military conflict between Russia and Ukraine, certain countries announced new packages of sanctions against the public debt of the Russian Federation and a number of Russian banks, as well as personal sanctions against a number of individuals. The Company does not have direct exposures to any party from those countries. This unfortunate state of affairs has not been and predictably will not have any significant impact on the Company's operations.

Realistically the Gaza Strip Conflict has had and will have even less effect on the Company's markets and operations. The turmoil caused by the unpredictable decisions of the recently re-elected President of the United States, is believed to have caused only temporary fluctuations.

The Board of Directors will continue monitoring the situations as they progress.

Risk and Management

The Company is exposed to a variety of risks and hence operates a risk management strategy with the objective of controlling and minimizing the impact on the financial performance and position. A detailed review of the risk management policies employed by the Company with the exposures to market risk, credit risk, liquidity risk, and capital risk management is included in Note 15 of the financial statements.

Future Developments

In the near future the emphasis has to be put beside of operative, asset management steps, securing necessary financing and possible refinancing, as well as, lease-up vacant areas on the exit efforts. Based on this, the Directors expect that the present value of activity to increase and the experience of the past period justified past expectations.The management foresees improving market conditions facilitating successful exits with the approach of the end of the fund's life span.

Directors

The Directors who served during the financial year under ended 31 December 2024 and as at the date of these financial statements are stated on page 3. In accordance with the Company's article of Association, the directors are to remain in office. During the year, business relationships existed between the Directors of the Fund and Related Parties to the Fund. These relationships are detailed in Note 13 to the financial statements.

Standard License Conditions

As required by the Investment Services Rules for Investment Service Providers regulated by the MFSA, we report that there were no breaches of the standard license conditions or other regulatory requirements during the reporting period which were subject to an administrative penalty or other regulatory sanction.

Events after the reporting period

Significant events in 2025 up to the date of these financial statements were:

The change in the position of the President of the United States brought unexpected volatility and unpredictability to the movements of the world economy. Fortunately, the primary business of the group is not influenced directly by these changes, but unquestionably make the large players of the sector more cautious making large-scale, long-term investments, as well as, they are threatening the stability of global financing on longer term. These factors are to be closely monitored by the management since they might require prompt reactions in the future.

DIRECTORS' REPORT (CONTINUED)

Directors' responsibilities

The directors are required by the Companies Act (Cap. 386 of the Laws of Malta) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU, which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit or loss of the company for the year then ended. In preparing the financial statements, the directors should:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business as a going concern;
- Account for income and charges relating to the accounting period on the accruals basis;
- Value separately the components of asset and liability items;
- Report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap. 386 of the Laws of Malta). This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution to re-appoint Ernst & Young Malta Limited as auditor will be proposed at the Annual General Meeting.

Kyle Debono	**Kristóf Bárány**	**Gabor Nemeth**
Director	**Director**	**Director**

Date: 30 June 2025

Docusign Envelope ID: 035151EA-90F0-458F-A07B-B44DBF3AAA6A

Depositary Report

European Depositary Bank - Malta Branch

Depositary Report to the Board of Directors of:
Adventum QUARTUM Central Europe SICAV p.l.c. (the "Company")

Period under review:
1st Jan 2024 – 31st Dec 2024 (the "Period")

Docusign Envelope ID: 035151EA-90F0-458F-A07B-B44DBF3AAA6A

1. Adventum QUARTUM Central Europe SICAV p.l.c. (the "Company")

Adventum QUARTUM Central Europe SICAV p.l.c.	
Legal Form	SICAV (AIF)
Domiciliation	Malta
NAV Frequency	Monthly
Administrator	Alter Domus
Bank Accounts	Sparkasse Bank Malta PLC
Agreement with EDB Date	16th Dec, 2021 (Service Start Date Mar, 2022)

2. Confirmation of the Depositary

In accordance with Article 21 of the AIFMD Directives of The European Parliament and of The Council, European Depositary Bank S.A. Malta Branch ("EDB") as the appointed Depositary hereby confirms that The Company has been managed:

• In accordance with the limitations imposed in the Investment and Borrowing Restrictions of the Fund by the Constitutional Documents and by the MFSA; and

• In accordance with its Constitutional Documents and its License Conditions.

3. Fund Summary

Total Assets Under Depositary					
Client	**CCY**	**Dec-23**	**Dec-24**	**Change**	**% Change**
Adventum QUARTUM Central Europe SICAV p.l.c.	**EUR**	**142,048,534.19**	**139,581,805.92**	**(2,466,728.27)**	**-2%**

Cash Balance Summary					
Account	**CCY**	**Dec-23**	**Dec-24**	**Change**	**% Change**
Sparkasse Bank Malta PLC	**EUR**	**64,274.90**	**835,918.69**	**771,643.79**	
Total € Cash		**64,274.90**	**835,918.69**	**771,643.79**	**1201%**

Portfolio Market Value in Fund (EUR)					
Investment Name	**CCY**	**Dec-23**	**Dec-24**	**Change**	**% Change**
Centerus Sp. Z.o.o.	**EUR**	**16,619,050.00**	**17,491,664.00**	**872,614.00**	**5%**
PCRK Invest/.CO DEVELOPMENT Sp. z o. o.	**EUR**	**7,869,050.00**	**2,689,265.00**	**(5,179,785.00)**	**-66%**
KOMAL/KEQI KFT	**EUR**	**49,295,028.00**	**50,500,175.00**	**1,205,147.00**	**2%**
Hermes Invest/NGY Properties	**EUR**	**39,252,373.00**	**39,496,726.00**	**244,353.00**	**1%**
Ren Plaza	**EUR**	**15,582,890.00**	**15,384,020.00**	**(198,870.00)**	**-1%**
Quarpol KFT	**EUR**	**3,557.00**	**-**	**(3,557.00)**	**-100%**
Tophill Investments	**EUR**	**16,515,742.00**	**16,134,749.00**	**(380,993.00)**	**-2%**
Total € Portfolio Value		**145,137,690.00**	**141,696,599.00**	**(3,441,091.00)**	**-2%**

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4. Breaches

During the reporting period the Depositary did not record any breaches to the investment policies and parameters.

5. Audit Requests

A standard audit request from Ernst & Young Malta Limited, on behalf of Adventum QUARTUM Central Europe SICAV p.l.c**.** plc for year ending 31 December, 2024 was received and actioned in March 2025.

6. Other Matters

No significant matters have arisen in the period since the last Board meeting which in the opinion of the Depositary should be brought to the attention of the Board.

7. Action Taken

A copy of this report is being sent to the Alternative Investment Fund Manager. Any comments should be sent to the undersigned.

DocuSigned by:
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Dylan Magri
Depositary Officer

Signed by:
87665FFA972A487...
Juan C. Chávez-Valdes
AVP, Depositary Officer

STATEMENT OF FINANCIAL POSITION

	Notes	**Adventum Quartum Central Europe SICAV p.l.c**	Adventum Quartum Central Europe SICAV p.l.c
		31 December 2024	31 December 2023
		€	€
ASSETS			
Financial assets at fair value through profit and loss	6	**138,132,477**	143,117,967
Prepayments		**39,985**	60,350
Cash at bank	7	**835,919**	64,275
Total assets		**139,008,381**	143,242,592
EQUITY AND LIABILITIES			
Capital and reserves			
Founder shares	9	**1,200**	1,200
Total equity		**1,200**	1,200
Liabilities			
Management fees	12	**1,853,906**	2,011,595
Director fees	12	**3,191**	9,039
Trade and other payables	8	**134,002**	41,917
Total liabilities (excluding net assets attributable to shareholders)		**1,991,099**	2,062,551
Total equity and liabilities (excluding net assets attributable to shareholders)		**1,992,299**	2,063,751
Net assets attributable to shareholders		**137,016,082**	141,178,841
Founder shareholders		**1,200**	1,200
Net assets attributable to shareholders (at trading value)		**139,581,806**	142,048,534
Adjustments in accordance with IFRS		**(2,565,724)**	(869,693)
Net asset value (in accordance with IFRS)	16	**137,016,082**	141,178,841

The notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board on 30/06/2025 and were signed on its behalf by:

Kyle Debono
Director

Kristóf Bárány
Director

Gabor Nemeth
Director

STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Adventum Quartum Central Europe SICAV p.l.c** **01 January 2024 to 31 December 2024** **€**	Adventum Quartum Central Europe SICAV p.l.c 01 January 2023 to 31 December 2023 €
Income			
Net change in fair value of financial assets at fair value through profit or loss	5	**(7,145,432)**	18,915,819
Interest income	13	**5,102,930**	5,011,139
Dividend income		**-**	1,935
Total income		**(2,042,502)**	23,928,893
Expenses			
Management fees	12	**1,642,311**	1,609,177
Administration fees	12	**31,440**	29,762
Directors' fees	12	**47,132**	48,109
Other operating expenses	11	**399,375**	239,813
Total expenses		**2,120,258**	1,926,861
(Loss)/Profit before tax		**(4,162,760)**	22,002,032
		-	-
Withholding tax		**-**	-
Total comprehensive (loss)/income attributable to shareholders		**(4,162,760)**	22,002,032

The notes form an integral part of these financial statements.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	Adventum Quartum Central Europe SICAV p.lc.	
	For the period ended 01 January 2024 to 31 December 2024	For the period ended 01 January 2023 to 31 December 2023
	€	€
Net assets attributable to shareholders at the beginning of the year	**141,180,042**	119,178,010
Issue of investor shares	**-**	-
Net increase from share transactions	**-**	-
Net (decrease)/increase in net assets attributable to holders of investor shares	**(4,162,760)**	22,002,032
Net assets attributable to shareholders at the end of the year	**137,017,282**	141,180,042

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOW

	Notes	**For the year ended 01 January 2024 to 31 December 2024 €**	For the year ended 01 January 2023 to 31 December 2023 €
Cash flows from operating activities			
(Loss)/Profit before tax		**(4,162,760)**	22,002,032
Adjustments for:			
Net fair value movements on financial assets and financial liabilities at fair value through profit and loss	5	**7,145,432**	(18,915,819)
Working capital adjustments:			
Decrease/(Increase) in financial assets at fair value through profit and loss		**2,942,989**	(412,000)
Interest Income	13	**(5,102,930)**	(5,011,139)
Dividend Income		**-**	(1,935)
Operating cash flow before working capital changes		**822,731**	(2,338,861)
Changes in working capital:			
Movement in receivables		**20,364**	221,481
Movement in trade and other payables		**(71,451)**	1,614,125
Interest income received		**-**	300,000
Dividend income received		**-**	1,935
Net cash used in operating activities		**771,644**	(201,320)
Net increase in cash and cash equivalents		**771,644**	(201,320)
Cash and cash equivalents at the beginning of the year		**64,275**	265,595
Cash and cash equivalents at the end of the year	7	**835,919**	64,275

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Adventum Quartum Central Europe SICAV p.l.c (the "Company"/the "Fund") is a collective investment scheme organised as a limited liability investment company with variable share capital. The Company was registered on 20 February 2019 under the Companies Act (Chapter 386, Laws of Malta) and is licensed and regulated by the Malta Financial Services Authority under the Investment Services Act (Chapter 370, Laws of Malta) as an Alternative Investment Fund targeting Qualifying Investors. During 2024, the Board of Directors approved to extend the lifespan of the Fund for a further two years until 31 December 2027 in line with the Offering Memorandum.

The investment objective of the Company is to achieve returns in the short-to-medium term under all market conditions. The target growth of the Company is a minimum of six percent (6%) per year with a target Internal Rate of Return ("IRR") of approximately twenty two percent (22%).

2. MATERIAL ACCOUNTING POLICIES

2.1.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards")) as adopted by the European Union ("EU") and comply with the Companies Act, Cap 386 of the Laws of Malta.

The preparation of these financial statements in conformity with IFRS Accounting Standards as adopted by the EU requires the use of certain accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies as disclosed in Note 3.

2.1.2 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention, except for financial assets held at fair value through profit or loss that are measured at fair value.

The Company presents its statement of financial position in order of liquidity, since this presentation is reliable and more relevant to the Company. Assets and liabilities are expected to be realised within one year, unless otherwise indicated in the notes to the financial statements.

2.1.3 GOING CONCERN

These financial statements have been prepared on a going concern basis which assumes that the Company will continue as a going concern.

2.1.4 BASIS OF CONSOLIDATION

The Company is an investment entity, therefore, it holds its investments in subsidiaries at fair value rather than consolidating them. Investments in subsidiaries are classified as fair value through profit or loss in accordance with IFRS 9.

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency is the currency of the primary economic environment in which the Company operates. The majority of the Company's returns and expenses are euro-based, the capital is raised in euros, the performance is evaluated and its liquidity is managed in euros. Therefore, the Company concludes that the euro is its functional currency. The Company's presentation currency is also the euro. All values are rounded to euro except where otherwise indicated

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 FINANCIAL INSTRUMENTS

(i) Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

On applying that classification, a financial asset or financial liability is considered to be held for trading if:

(a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; Or

(b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; Or(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

FINANCIAL ASSETS

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; Or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; Or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 FINANCIAL INSTRUMENTS (CONTINUED)

The Company includes in this category:

- Equity instruments: Included within equity instruments are investments in subsidiaries:

  Investment in subsidiaries: in accordance with the exception under IFRS 10, the Company does not consolidate subsidiaries in the financial statements unless the subsidiary is not itself an investment entity and its main purpose and activities are providing services that relate to the Company's investment activities. The Company has no consolidated subsidiaries. The Company measures unconsolidated subsidiaries at FVPL.

- Debt Instruments: These include investment that are held under a business model to manage them at fair value and are measured at FVPL.

FINANCIAL LIABILITIES

Financial liabilities measured at fair value through profit or loss (FVPL)

A financial liability is measured at FVPL if it meets the definition of held for trading.

The Company includes in this category redeemable investor shares. The accounting policy on redeemable shares is disclosed in Note 2.7.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category other short-term payables.

(ii) Recognition

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

(iii) Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at FVPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of comprehensive income.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 FINANCIAL INSTRUMENTS (CONTINUED)

(v) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(vi) impairment

IFRS 9 applies an 'expected credit loss' (ECL) model. This impairment model applies to financial assets measured at amortised cost, but not to investments in equity instruments being measured at FVPL

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs. The Company also measures ECL on the bank balance as at year end. The credit risk for the bank balance has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition an when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

(vii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a current legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.4 FAIR VALUE MEASUREMENT

The Company measures its investments in subsidiaries at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 FAIR VALUE MEASUREMENT (CONTINUED)

For financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

For assets and liabilities that are measured at fair value on a recurring basis, the Company identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the beginning of each reporting period.

2.5 FINANCIAL GUARANTEE CONTRACTS

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. It is measured as fair value through profit and loss.

2.6 CASH AT BANK

Cash comprises cash held with banks. Cash at bank is stated at its principal amount.

2.7 REDEEMABLE SHARES

The redeemable shares for each sub-fund provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the sub-fund's net assets, at each redemption day after the termination of the subscription period following issue of notice by the Directors informing Investors of the possibility of redemptions, and also in the event of the Company's liquidation.

The redeemable shares are classified as financial liabilities and are measured at the present value of the redemption amounts. In accordance with the Company's offering memorandum, the redemption amounts of the individual redeemable shares are calculated using the prevailing redemption price on the relevant redemption day, which will be the applicable NAV per Share as calculated on the Valuation Day less such penalties, fees or expenses as may be applicable or as the Company may be entitled to deduct of recover therefrom.

2.8 INTEREST REVENUE

Interest revenue is recognised in the statement of comprehensive income for all interest-bearing financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 NET GAIN OR LOSS ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Net gains or losses on financial assets at FVPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as at FVPL represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments.

2.10 FEE EXPENSE

Fees are recognised on an accrual basis. Refer to Notes 12 for management and performance fees, custodian and administration fees and directors' fees.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at FVPL rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis

The Company's prospectus details its objective of providing investment management services to investors which includes investing in real estates through an investment in SPV, for the purpose of returns in the form of investment income and capital appreciation. The Investment Management services are outsourced to a separate legal entity.

The Company reports to its investors via regular investor information, and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Company's annual report. The Company has a clearly exit documented exit strategy for all of its investments.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that it has more than one investment; the Company's ownership interests are predominantly in the form of equities and similar securities; it has more than one investor and the majority of its investors are not related parties.

The directors concluded that the Company meets the definition of an investment entity. These conclusions will be reassessed on a continuous basis, if any of these criteria or characteristics change.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Classification of Redeemable shares

A Company can classify its redeemable shares as either equity or as liability. Management has assessed whether the Company's redeemable shares can be classified as liability or equity.

Redeemable shares are classified as equity instruments when all the below conditions are met:

- The redeemable shares entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation
- The redeemable shares are in the class of instruments that is subordinate to all other classes of instruments
- All redeemable shares in the class of instruments that is subordinate to all other classes of instruments have identical features
- The redeemable shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Company's net assets
- The total expected cash flows attributable to the redeemable shares over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Company over the life of the instrument.

The Company's Offering Supplement stipulates that the investors can redeem their shares at their discretion. Based on the Management's judgement it was concluded that the redeemable shares do not meet the above criteria. Consequently, these were classified as liability.

Estimates

Fair value of investments

Due to the timing of the NAV the Company uses T-1 reporting when calculating the NAV of the Company each month therefore these financial statements have been adjusted to reflect the value as at 31 December 2024, which will differ from the trading value reported. Management has made the judgement that this adjustment is a more prudent and accurate approach to reporting the figures in the financial statements. The underlying assets of the SPVs held by the Company, being the investment properties, are valued by an independent valuers, namely Cushman & Wakefield. Disclosures on the estimates and judgement used on determining the fair value of the underlying investments are further disclosed in Note 5.

4. CHANGES IN ACCOUNTING POLICIES

Standards, interpretations and amendments to published standards as endorsed by the European Union effective in the current year

The Company has adopted the following new and amended IFRS and IFRIC interpretations:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-current- Deferral of Effective Date; and Non-current Liabilities with Covenants (effective for financial years beginning on or after 1 January 2024).

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (effective for financial years beginning on or after 1 January 2024).

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective for financial years beginning on or after 1 January 2024).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Except as explained below, the adoption of the new and updated standards did not have a material impact on the financial stataement of the Company.

Standards, interpretations and amendments to published standards as endorsed by the European Union that are not yet effective

Up to the date of approval of these financial statements, there below were the standards, amendment and interpretations to existing standards which have been published but are not yet effective for the current reporting period and which have not been adopted early.

- Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for financial years beginning on or after 1 January 2025).
- Amendments to the Classification and Measurement of Financial Instruments – IFRS 9 and IFRS 7 (effective for financial years beginning on or after 1 January 2026).

The changes resulting from the above standards, interpretations and amendments are not expected to have a material effect on the financial stataement of the Company.

Standards, interpretations and amendments to published standards that are not yet endorsed by the European Union

- Amendments to Contracts Referencing Nature-dependent Electricity – IFRS 9 and IFRS 7 (issued on 18 December 2024)
- Amendments to Annual Improvements Volume 11 (issued on 18 July 2024)
- IFRS Standards and Interpretations – IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)

IFRS Standards and Interpretations – IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)The changes resulting from the above standards, interpretations and amendments are not expected to have a material effect on the financial statement of the Company except for IFRS 18 – Presentation and Disclosure in Financial Statements.

5. FAIR VALUE MEASUREMENTS

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - quoted market prices (unadjusted) in an active market for an identical instrument;

Level 2 - valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data;

Level 3 - valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data, including the Company's own assumptions, and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustment or assumptions are required to reflect differences between the instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

	Level 1 2024 €	**Level 2 2024 €**	**Level 3 2024 €**	**Total 2024 €**
Financial assets at fair value through profit or loss:				
Equity			**42,577,448**	**42,577,448**
Debt	-	-	**95,555,029**	**95,555,029**
Total	**-**	**-**	**138,132,477**	**138,132,477**

	Level 1 2023 €	**Level 2** 2023 €	**Level 3** 2023 €	**Total** 2023 €
Financial assets at fair value through profit or loss:				
Equity	**-**	**-**	46,220,904	46,220,904
Debt			96,897,063	96,897,063
Total	**-**	**-**	143,117,967	143,117,967

The following table presents the changes in recurring fair value measurements of investments in subsidiaries categorised as Level 3:

	2024 €	2023 €
Balance at the beginning of the year	**143,117,967**	119,079,009
Appreciation/(Depreciation) of financial assets	**(7,145,432)**	18,915,819
Movement on Loans	**2,159,942**	5,123,139
Balance as at the end of the year	**138,132,477**	143,117,967

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

The main accounts driving the Net Asset Value of the SPV's are disclosed below:

	PCRK Invest Zrt	REN Plaza Sp. Z o.o.	Centerus Sp. Z o.o.	Hermes Invest Kft[1]	Tophill Investments Sp.Z.o.o	KOMAL Invest Kft[1]	Total
	2024 EUR	2024 EUR	2024 EUR	2024 EUR	2024 EUR	2024 EUR	2024 EUR
Assets							
Investment Property	**17,350,000**	**18,250,000**	**34,300,000**	**156,050,000**	**33,700,000**	**125,900,000**	**385,550,000**
Other Assets	**836,904**	**93,037**	**1,043,153**	**1,692,822**	**16,741**	**-**	**3,682,657**
Current Assets	**256,163**	**1,735,817**	**3,552,610**	**29,391,057**	**1,204,046**	**8,402,384**	**44,542,077**
Liabilities							
Intercompany Loans (Note 6)	**18,416,171**	**10,843,503**	**3,836,942**	**21,960,241**	**10,218,744**	**46,354,609**	**111,630,210**
External Financing	**15,842,466**	**7,750,000**	**20,980,842**	**71,500,000**	**17,820,000**	**57,046,322**	**190,939,630**
Other Liabilities	**259,611**	**681,810**	**2,279,354**	**25,974,765**	**1,130,627**	**21,120,351**	**51,466,518**
Non- Controlling Interest (NCI)	**-**	**-**	**-**	**50,554,124**	**-**	**2,701,986**	**53,256,110**
Net Asset Value (Note 6)	**(16,075,181)**	**803,542**	**11,798,625**	**17,144,749**	**5,751,416**	**7,079,116**	**26,502,266**

[1] These represent the consolidated financial statements given that the Company directly owns 100% of Hermes and Komal which in turn they own 50.1% of NGY and 74% of Keqi respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

	PCRK Invest Zrt	REN Plaza Sp. Z o.o.	Centerus Sp. Z o.o.	Hermes Invest Kft[1]	Tophill Investments Sp.Z.o.o	KOMAL Invest Kft[1]	QUARPOL Kft	Total
	2023	2023	2023	2023	2023	2023	2023	2023
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Assets								
Investment Property	17,500,000	16,850,000	35,150,000	156,000,000	33,900,000	122,500,000	-	381,900,000
Other Assets	957,428	611773	1,417,162	4,700,616	839,530	1,772,668		10,299,177
Current Assets	418,495	8,792,588	2,287,322	24,119,541	1,553,737	6,823,627	3,645	43,998,955
Liabilities								
Intercompany Loans (Note 6)	20,704,034	11,061,878	2,123,868	20,991,847	10,517,481	44,069,149	2,012	109,470,269
External Financing	10,261,644	8,234,739	21,415,458	74,000,000	18,939,417	59,847,490	0	192,698,748
Other Liabilities	483,451	1,947,511	1,271,645	23,213,132	668,675	21,919,091	438	49,503,943
Non- Controlling Interest (NCI)	-	-	-	49,316,459	-	1,561,015	-	50,877,474
Net Asset Value (Note 6)	(12,573,206)	5,010,233	14,043,513	17,298,719	6,167,694	3,699,550	1,195	33,647,698

[1] These represent the consolidated financial statements given that the Company directly owns 100% of Hermes and Komal which in turn they own 50.1% of NGY and 74% of Keqi respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

As at December 2024	Valuation Technique	Country	Ownership %	Unobservable Input	Range	Property Fair Value
PCRK Invest Zrt	Income Capitalisation Approach	Hungary	100	Estimated rental value Equivalent yield	**€16.65 per sqm** **8.75-9.75%**	**€17,350,000**
REN Plaza Sp. Z o.o.	Income Capitalisation Approach	Poland	100	Estimated rental value Equivalent yield	**€15.95 per sqm** **7.25-8.25%**	**€18,250,000**
Centerus Sp. Z o.o.	Income Capitalisation Approach	Poland	100	Estimated rental value Equivalent yield	**€14.95 per sqm** **8.00-9.00%**	**€34,300,000**
Hermes Invest Kft	Income Capitalisation Approach	Hungary	100	Estimated rental value Equivalent yield	**€12.93 per sqm** **7.00-7.50%**	**€156,050,000**
Tophill Investments Sp.Z.o.o	Income Capitalisation Approach	Poland	100	Estimated rental value Equivalent yield	**€15.19 per sqm** **8.00-9.00%**	**€33,700,000**
KOMAL Invest Kft	DCF	Hungary	100	Estimated rental value Discount rate	**€10.52 per sqm** **6.97-8.99%**	**€125,900,000**

The Income Capitalisation Approach is based on the T&R (Term & Reversion): A valuation approach where the income is divided into a fixed income to review (the term) and an income from review to perpetuity (the reversion). DCF (Discounted Cash Flow): A method to determine the present value of future cash flows generated by an investment or asset, taking into account the time value of money.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

As at December 2023	Valuation Technique	Country	Ownership %	Unobservable Input	Range	Property Fair Value
PCRK Invest Zrt	Income Capitalisation Approach	Hungary	100	Estimated rental value Equivalent yield	€13.00 per sqm 2.41-17.01%	€17,500,000
REN Plaza Sp. Z o.o.	Income Capitalisation Approach	Poland	100	Estimated rental value Equivalent yield	€16.00 per sqm 11.17-11.47%	€16,850,000
Centerus Sp. Z o.o.	Income Capitalisation Approach	Poland	100	Estimated rental value Equivalent yield	€15.00 per sqm 9.18-10.84%	€35,150,000
Hermes Invest Kft	Income Capitalisation Approach	Hungary	100	Estimated rental value Equivalent yield	€14.00 per sqm 7.10-8.22%	€156,000,000
Tophill Investments Sp.Z.o.o	Income Capitalisation Approach	Poland	100	Estimated rental value Equivalent yield	€15.00 per sqm 9.08-9.39%	€33,900,000
KOMAL Invest Kft	DCF	Hungary	100	Estimated rental value Discount rate	€13.00 per sqm 5.97-9.16%	€122,500,000

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with the quantitative sensitivity analysis are as shown below:

As at 31 December	Input	Country	Ownership %	Sensitivity used	Effect on the Property's Fair Value 2024	Effect on the Property's Fair Value 2023
PCRK Invest Zrt	**Estimated rental value**	**Hungary**	**100**	**10%**	**1,735,000**	1,750,000
	Yield rate			**1%**	**(173,500)**	(175,000)
				-1%	**173,500**	175,000
REN Plaza Sp. Z o.o.	**Estimated rental value**	**Poland**	**100**	**10%**	**1,825,000**	1,685,000
	Yield rate			**1%**	**(182,500)**	(168,500)
				-1%	**182,500**	168,500
Centerus Sp. Z o.o.	**Estimated rental value**	**Poland**	**100**	**10%**	**3,430,000**	3,515,000
	Yield rate			**1%**	**(343,000)**	(351,500)
				-1%	**343,000**	351,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

As at 31 December	Input	Country	Ownership %	Sensitivity used	Effect on the Property's Fair Value 2024	Effect on the Property's Fair Value 2023
Hermes Invest Kft	**Estimated rental value**	**Hungary**	**100**	**10%**	**15,605,000**	15,600,000
	Yield rate			**1%**	**(1,560,500)**	(1,560,000)
				-1%	**1,560,500**	1,560,000
Tophill Investments Sp.Z.o.o	**Estimated rental value**	**Poland**	**100**	**10%**	**3,370,000**	3,390,000
	Yield rate			**1%**	**337,000**	339,000
				-1%	**(337,000)**	(339,000)
KOMAL Invest Kft	**Estimated rental value**	**Hungary**	**100**	**10%**	**12,590,000**	12,250,000
	Discount rate			**1%**	**1,259,000**	1,225,000
				-1%	**(1,259,000)**	(1,225,000)

Valuation techniques

The level 3 Private equity investments that amount to €42,577,448 (2023: €46,220,904) consist of six (2023: seven) fully owned SPVs namely Centerus Sp Z.o.o, REN Plaza Sp Z.o.o, Tophill Investments Sp.Z.o.o, PCRK Invest Zrt, Hermes Invest Kft and KOMAL Invest Kft. (Further details are disclosed in Note 6).

Unlisted equity investments

The Company invests in private equity companies that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The net asset value of the SPVs is used as an input into measuring the fair value of the same SPVs. The NAV of these investments is driven from the amounts disclosed above namely the underlying properties, current assets, intercompany loans, bank borrowings and other financial liabilities.

Valuation of properties

The Company appointed Cushman & Wakefield (until May 2023 CBRE) as external valuers to determine the value of these properties. The Cushman & Wakefield valuations have been performed in accordance with the RICS Valuation – Global Standards. The property has been valued on the basis of Fair Value. According to the RICS Valuation - Global Standards the fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. For valuation purposes a capitalization approach was used. The income from a tenant is capitalised for the duration of the term. The passing income stream is capitalised for the duration of the unexpired lease and income thereafter then reverts to the rental value and is capitalised in perpetuity. The selection of yield reflects "all risks" including variables such as voids, risk of shortfall etc. as well as rental fluctuations in rental income through growth. Income growth over the lease through indexation is also reflected in the "all risks" yield.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

In the valuation reports, Cushman & Wakefield remarked on the significant inflationary pressures have continued to affect the EU economy over the last two years. In response, the European Central Bank (ECB) began raising interest rates in July 2022. While rates have remained stable since October 2023, inflation—although likely to have peaked—has been slow to return to the ECB's target level. Market expectations indicate that the interest rate cycle may have reached its peak, though confirmation will depend on economic data in the coming months.

Geopolitical risks remain elevated. The war in Ukraine continues with no resolution in sight, disrupting supply chains, energy security, and price stability across Europe. Additionally, the ongoing conflict in Israel and Gaza adds further uncertainty, particularly regarding oil prices and broader geopolitical stability in the region.

Valuation of other accounts

The carrying amounts of the SPV's current assets and liabilities are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

The carrying amount of the SPV's intercompany loans fairly approximates the estimated fair value of these assets based on discounted cash flows due to the fact that the fixed interest rate approximates the current market rate. Whereas the fair value of the SPV's external financing (which mainly pertained to floating interest rate bank borrowings as at the end of the reporting period is not significantly different from the carrying amounts.

Valuation process

Valuations are the responsibility of the board of directors of the Investment Manager. The valuation of unlisted equity, is performed on a monthly basis by the valuation committee of the investment manager and reviewed by the investment committee of the investment manager. The valuation of the underlyng property is performed semi-annually by the external valuer, Cushman & Wakefield (CBRE until May 2023), and reviewed by the investment committee of the investment manager.

6. INVESTMENTS IN SUBSIDIARIES

The Company investment in subsidiaries at year end was as follows:

PCRK Invest Zrt. is the direct and sole owner of CO Development Sp.z.o.o., Hermes Invest Kft. is a 50.1% owner of NGY Properties Investment SRL and KOMAL Invest Kft. is a 74% owner of KEQI Zrt. The underlying property of PCRK is located in Poland, and that of Hermes is located in Romania.

31 December 2024	Country	% Ownership	Equity €	Debt €	Total €
PCRK Invest Zrt (i)	Hungary	100	**-**	**2,340,990**	**2,340,990**
REN Plaza Sp. Z o.o.	Poland	100	**803,542**	**10,843,503**	**11,647,045**
Centerus Sp. Z o.o..	Poland	100	**11,798,625**	**3,836,942**	**15,635,567**
Hermes Invest Kft	Hungary	100	**17,144,749**	**21,960,241**	**39,104,990**
Tophill Investments Sp.Z.o.o	Poland	100	**5,751,416**	**10,218,744**	**15,970,160**
KOMAL Invest Kft	Hungary	100	**7,079,116**	**2,085,917**	**9,165,033**
Keqi Zrt	Hungary	74	**-**	**44,268,692**	**44,268,692**
			42,577,448	**95,555,029**	**138,132,477**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

31 December 2023	Country	% Ownership	Equity €	Debt €	Total €
PCRK Invest Zrt (i)	Hungary	100	-	8,130,828	8,130,828
REN Plaza Sp. Z o.o.	Poland	100	5,010,233	11,061,878	16,072,111
Centerus Sp. Z o.o..	Poland	100	14,043,513	2,123,868	16,167,381
Hermes Invest Kft	Hungary	100	17,298,719	20,991,847	38,290,566
Tophill Investments Sp.Z.o.o	Poland	100	6,167,694	10,517,481	16,685,175
KOMAL Invest Kft	Hungary	100	3,699,550	1,208,161	4,907,711
Keqi Kft 5%	Hungary	74	-	42,860,988	42,860,988
Quarpol Invest Kft	Hungary	100	1,195	2,012	3,207
			46,220,904	96,897,063	143,117,967

(i) As at 31 December 2024, the investment in PCRK Invest Zrt resulted in negative equity amounting to €16,075,181 (2023: €12,573,206). Consequently the negative balance was netted off with the loan receivable amount of PCRK.

(ii) Quarpol Invest Ktf was liquidated during 2024.

The Company entered into a Guarantee with Centerus Sp. Z o.o. (the 'SPV') dated on 23 June 2021, stating that it will irrevocably and unconditionally guarantee to the SPV an amount of EUR3,250,000 in case of a trigger event as defined in the guarantee and support agreement.

The Company entered into another Guarantee with KEQI Kft (the 'SPV') dated on 13 June 2024, as a security for user's payment obligations arising from a service agreement amounting to EUR1,500,000.

To secure credit obligations, registered pledge agreements were signed on the shares of Centerus Sp.Z.o.o, REN Plaza Sp. Z.o.o, Tophill Investments Sp.Z.o.o and KEQI Kft between the Company as the pledger and the financing bank as a pledgee regarding the rights arising from the loan agreement between the Company and its respective Investments, with respect to the rights arising from the loan granted by the respective financing bank.

The above amounts include interest which as at 31 December 2024 amounted to €11,846,113 (2023: €8,784,927).

Some of the underlying properties invested by the fund are financed or partly financed by third party loans which are due to expire in the short term (within 12 months from the signing of these financial statements). Despite the current phase of the fund, management are still in the process of negotiating refinancing options of such loans including seeking potential buyers to sell the underlying asset which will finance the respective loan. Management are confident that adequate financing will be obtained as it was always obtained in the past.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

SPV legal name	Aggregate loan facility amount	Interest rate	Interest payment	Maturity Date	Outstanding principal amount 2024	Undrawn facility amount 2024
Centerus Sp Z.o.o	EUR 4,000,000	5%	Annually	**31.12.2027**	**3,386,451**	**163,058**
Hermes Invest	EUR 20,000,000	5%	Annually	**22.07.2026**	**18,764,100**	**1,235,900**
KEQI Kft	EUR 50,000,000	5%	Upon loan maturity	**31.12.2025**	**34,027,340**	**5,972,660**
Ren Plaza Sp Z.o.o	EUR 20,000,000	5%	Annually	**31.12.2027**	**9,298,161**	**10,701,839**
Tophill Investments SP Z.o.o	EUR 12,000,000	5%	Annually	**25.07.2025**	**8,832,241**	**3,167,759**
KOMAL Invest Kft	EUR 4,000,000	5%	Annually	**14.12.2026**	**1,810,000**	**2,190,000**
PCRK Invest Zrt	EUR 25,000,000	5%	Annually	**25.07.2025**	**14,684,598**	**10,315,402**

SPV legal name	Aggregate loan facility amount	Interest rate	Interest payment	Maturity Date	Outstanding principal amount 2023	Undrawn facility amount 2023
Centerus Sp Z.o.o	EUR 4,000,000	5%	Annually	24.06.2024	1,826,451	2,173,549
Hermes Invest	EUR 20,000,000	5%	Annually	22.07.2026	18,749,100	1,250,900
KEQI Kft	EUR 40,000,000	5%	Upon loan maturity	31.12.2025	40,819,988	-
Ren Plaza Sp Z.o.o	EUR 20,000,000	5%	Annually	26.07.2024	9,948,161	10,051,839
Tophill Investments SP Z.o.o	EUR 12,000,000	5%	Annually	30.01.2025	9,592,241	2,407,759
KOMAL Invest Kft	EUR 4,000,000	5%	Annually	14.12.2026	1,010,000	2,990,000
PCRK Invest Zrt	EUR 25,000,000	5%	Annually	25.07.2025	18,737,154	6,262,846
QUARPOL Kft.	EUR 100,000	6.5%	Annually	22.11.2028	2,000	198,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. CASH AT BANK

For the purpose of the Statement of Cash Flows, the year-end cash comprises bank balances held at call were as follows:

31 December 2024	***Currency***	**Bank balance**	**% of net assets**
Sparkasse Bank Malta plc	**EUR**	**835,919**	**0.61%**
		835,919	**0.61%**

31 December 2023	*Currency*	Bank balance	% of net assets
Sparkasse Bank Malta plc	EUR	64,275	0.05%
		64,275	0.05%

8. TRADE AND OTHER PAYABLES

	2024	2023
	€	€
Audit fees payable	**54,280**	38,645
Accounting fees payable	**1,036**	-
Administration fees payable	**7,860**	-
Transfer Agency fees payable	**12,154**	-
Other costs and expenses	**58,672**	3,272
	134,002	41,917

9. SHARE CAPITAL

The Company has an authorised share capital of six thousand (6,000). The initial issued share capital is of one thousand two hundred euros (EUR 1,200) divided into one thousand two hundred (1,200) fully-paid up Founder Shares with no nominal value.

The Founder Shares are voting shares and do not carry a right to participate in any dividends or other distributions of the Company or in the assets of the Company on a winding up (other than to the surplus, if any, that may remain after payment of all amounts due to the creditors and holders of the Investor Shares).

The Company has also applied with the Central Securities Depository at the Malta Stock Exchange to dematerialise 3,800 Founder Shares.

	Founder Shares	
		Total
Balance at 31 December 2023	1,200	1,200
Issued	-	**-**
Balance at 31 December 2024	**1,200**	**1,200**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

The Net Asset Value per Share of the Company shall be the Net Asset Value divided by the number of Shares in issue. Since there is more than one class of Shares, the Net Asset Value of each Share in the Company shall be determined by calculating the Net Asset Value attributable to the Class of Investor Shares that Share forms part of, divided by the number of Investor Shares outstanding in that Class as at the time the calculation is made.

As at the end of the financial year 31 December 2024, *"Investor Shares A" Share Class* has 1,022 Investor shares and *"Investor Shares B" Share Class* has 34 Investor shares.

"Investor Shares A" Share Class
A class of Investor Shares to which an application for such Investor Shares to be recorded electronically in a book-entry form through the Malta Stock Exchange – Central Securities Depository is made.

"Investor Shares B" Share Class
A class of Investor Shares which are not recorded electronically in a book-entry form through the Malta Stock Exchange – Central Securities Depository is made.

Subscription

Before the Initial Closing Date of 30 June 2019, Investor Shares are issued at the Initial Offer Price €100,000. After the Initial Closing Date, the Company may accept further subscription application until the subsequent closing date being 31 July 2020. The subsequent closing was first extended to 31 January 2021, then was extended up to 30 June 2021 with a further extension made up to 30 September 2021. During 2021, the Company extended the subsequent closing up to 30 April 2022. During such subsequent subscription period, the investor shares are issued based on the Company's net asset value per share, calculated by dividing the net assets of the Company, calculated in accordance with the Company's Offering Memorandum, by the number of Investor Shares in issue, or the price detailed below (whichever is higher):

Date of Subscription	Price
From the 4th June 2019 until the 30th June 2019	€ 100,000
From the 1st July 2019 until the 31st July 2019	€ 100,740
From the 1st August 2019 until the 31st August 2019	€ 101,589
From the 1st September 2019 until the 30th September 2019	€ 102,438
From the 1st October 2019 until the 31st October 2019	€ 103,260
From the 1st November 2019 until the 30th November 2019	€ 104,110
From the 1st December 2019 until the 31st December 2019	€ 105,753
From the 1st January 2020 until the 31st January 2020	€ 107,452
From the 1st February 2020 until the 29th February 2020	€ 109,151
From the 1st March 2020 until the 31st March 2020	€ 110,740
From the 1st April 2020 until the 30th April 2020	€ 112,438
From the 1st May 2020 until the 31st May 2020	€ 114,082
From the 1st June 2020 until the 30th June 2020	€ 115,781
From the 1st July 2020 until the 31st July 2020	€ 117,425
From the 1st August 2020 until the 30th April 2022	€ 120,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED)

There may be numerous subsequent subscriptions until the subsequent closing date and the Board may at its discretion appoint numerous dates for such subsequent subscriptions. Once a Subscription Application has been accepted and processed, the Company will issue a contract note with respect to the initial Subscription of at least ten percent (10%) of the total commitment amount, subject to a minimum of one hundred thousand Euro (EUR 100,000) and rounded to whole amount of Investor Shares, within five (5) Business Days from the relevant Subscription Day, which will be sent by e-mail and by post to the correspondence address of the respective Shareholder as provided in the Subscription Application. The Shareholder has the obligation to inform the Company within five (5) Business Days from the date of the contract note should any details in such contract note be incorrect. Following the Initial Closing Date, the Board has the discretion to issue Capital Calls by sending the Investors a Drawdown Notice at least fifteen (15) Business Days in advance. Capital Calls shall be issued pro rata based on uncalled commitments to Investors rounded to whole number of Investor Shares.

Should a Shareholder fail to subscribe any portion of his Committed Capital within the applicable deadline from when a Drawdown Notice is delivered to him, the Company will not issue the relevant Shares to such Shareholder and may claim interest of twenty percent (20%) on the outstanding amount, which will be calculated over the number of days such Committed Capital remains unsubscribed from the date of the applicable deadline in the Drawdown Notice. In case the amount remains unsubscribed for at least sixty (60) Business Days from the date of the applicable deadline in the Drawdown Notice, the Company also retains discretion to forcibly transfer the shares of such Shareholder and issue such Shares to another Shareholder who accepts to take over the Committed Capital of the defaulting Shareholder. The defaulting Shareholder will not necessarily be compensated for the Shares in the Company that are forfeited.

Transfer of shares

Shareholder who would like to transfer their Investor Shares should provide the Company with a written instrument of transfer of shares clearly indicating the names and addresses of the proposed transferor and transferee, the number of Investor Shares to be transferred and any other information the Company may, at its discretion, require. The written instrument of transfer should also bind the transferee to the same conditions and obligations the transferor had in relation to the Investor Shares in question.

If a transfer of shares would bring the total holdings of an Investor below the Minimum Initial Investment, the Company has the discretion to inform the transferor and the transferee that the request for transfer of Investor Shares has been suspended. Both parties may amend the request for transfer of Investor Shares to reflect the Minimum Holding requirements and re-submit such request to the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED)

Redemption

The Board of Directors may, where it deems necessary, exercise its discretion to allow redemptions of Investor Shares on any Redemption Day with an at least thirty (30) Business Day prior notice to Investors. Investor Shares may not be redeemed during the Subscription Period or before all commitments are fully drawn down. Following the end of the Subscription Period and following the notice issued by the Directors informing Investors of the possibility of redemptions, Redemption Notices may be submitted in relation to any Redemption Day by the Investor giving notice of not less than twenty (20) Business Days in advance of a Redemption Day to the Administrator by using the Redemption Notice Form, attached to the Offering Memorandum as Appendix E. The Directors have discretion to reduce or waive such notice period.

The Redemption Price per Share shall be the applicable NAV per Share as calculated on the Valuation Day less such penalties, fees or expenses as may be applicable or as the Company may be entitled to deduct or recover therefrom.

In the event that calculation of the NAV has been suspended or postponed, the relevant Investor Shares will, when the Company accepts the Redemption Notice, be redeemed at the prevailing Redemption Price on the next effective Redemption Day following the resumption of calculation of the NAV (less the fees or expenses as aforesaid).

The Company is under no obligation to entertain early Redemption Notices and any early Redemption Notices will be processed at the discretion of the Board following the Initial Closing Date. An early redemption fee as detailed below shall be payable for redemptions submitted before the maturity and closure of the Company:

Date	Fee
From the end of the Subscription Period until 31st December 2023	25% discount to NAV
From 2024.01.01 until Maturity	No discount to NAV

As at 31 December 2024 the total commitments and total undrawn commitments were as follows:

	€
Total commitments	**106,930,180**
Total undrawn commitments	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (CONTINUED)

10.1 SHARE ACTIVITY

	Investor shares
Balance as at 31 December 2022	1,056
Issued	**-**
Balance at 31 December 2023	1,056
Issued	**-**
Balance at 31 December 2024	**1,056**

11. OTHER OPERATING EXPENSES

	2024 €	2023 €
Audit fee	**72,425**	45,000
Insurance fee	**16,650**	16,650
Corporate secretarial fee	**2,950**	2,950
Compliance officer fee	**10,000**	10,000
Transfer agency fee	**22,037**	15,753
Legal fees	**62,681**	44,530
Professional fees	**140,903**	20,167
Custodian fees	**39,886**	31,785
Other operating expenses	**31,843**	52,978
	399,375	239,813

12. FEES

12.1 MANAGEMENT FEES

The Company shall pay the Investment Manager a fee of one percent (1%) per annum of the gross asset value or the value of the total Committed Capital, whichever is the higher. The Management Fee shall be accrued on each Valuation Day and shall be payable quarterly in arrears. Gross asset value shall be calculated as Net Asset Value and the amount of any third-party loans provided to the Company and/or SPVs added together.

The Investment Manager may decide to charge up to 0.45% of the gross asset value of any of the SPVs of the Company directly to such SPV as consideration for ancillary services provided by the Investment Manager to such SPV. In such eventuality the Investment Management Fee charged to the Company shall be proportionately reduced so that the total management fee on both the Company and SPV level collectively does not exceed one percent (1%) per annum.

During the financial year 2024, management fees amounted to €1,642,311 (2023: €1,609,177) of which €1,853,906 (2023: €2,011,595) remained outstanding at period end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. FEES (CONTINUED)

12.2 PERFORMANCE FEES

A Performance Fee will be paid out of the assets of the Company, which shall be calculated as equal to twenty percent (20%) of the yearly return, in case the yearly return is up to fifteen percent (15%) once the yearly return reaches the threshold level of eight percent (8%) with full catch up, or thirty percent (30%) of the yearly return, in case the yearly return is above fifteen percent (15%) and for that amount of yearly return which is above fifteen percent (15%) without catch up. Performance Fees shall be calculated and accrued based on monthly Net Asset Values excluding accrued Performance Fees. Thresholds levels for eight percent (8%) and fifteen percent (15%) yearly return shall be calculated based on previous monthly period's NAV per Share excluding accrued Performance Fees and these shall be compounded monthly based on the respective threshold levels divided by twelve (12). New Share issues and redemptions shall also be taken into consideration on a monthly basis.

The Performance Fee shall be accrued monthly and shall be considered in determining NAV. For the purposes of the calculation of the Performance Fee, a high-water mark (the "High-Water Mark") shall apply. The Performance Fee shall only be charged after the Company has recovered any net capital since the High-Water Mark. The High-Water Mark shall be the calculated based on the yearly threshold level of eight percent (8%) from the Initial Closing Date. The Performance Fee shall be paid to the Fund Manager proportionately upon the redemption of shares and the accruals reduced by the paid amounts.

During the financial year 2024 and 2023, no provision of Performance fees was recorded given that the High Water Mark was not met.

12.3 DEPOSITARY FEES

The Depositary shall be paid a variable fee as follows, subject to a minimum of €25,000 per annum.

Up to EUR 200 million NAV	0.025% per annum
Over EUR 200 million NAV	0.015% per annum

The Depository fee for the custody of financial assets is a one off fee of €2,000. During the financial year 2024, custodian fees amounted to €39,886 (2023: €31,785) were charged, none (2023: none) of which were outstanding at period end.

12.4 ADMINISTRATION FEES

The Administrator shall be entitled to receive a fee of fourteen thousand Euro €14,000 per annum for Fund Administration Services, which fee does not include corporate management services, transfer agency fees and reporting fees and any other additional extra administration charges. The latter fees are payable on a case by case basis as agreed in the Fund Administration Agreement entered into between the Fund Administrator and the Company.

The Company incurred administration fees amounting to €31,440 (2023: €29,762) during the period from which €7,860 (2023: none) were outstanding at year end.

12.5 DIRECTORS' FEES

The Directors' fees charged to the Company during the period amounted to €47,132 (2023: €48,109) of which €3,191 (2023: €9,039) were outstanding at period end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

13.1 PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

GRW International Ltd, having its registered address at 23, South Street, Valletta VLT 1102, Malta, is the Company's 99% founder shareholder ("the parent Company"), holding 187,499 ordinary 'A' shares. Mr Kristof Barany holds 1 'B' Share. The Ultimate Controlling Party of the Company is Mr Kristof Barany who holds directly or indirectly 100% of the Founder shares.

13.2 TRANSACTIONS WITH RELATED PARTIES AND KEY MANAGEMENT PERSONNEL

The following are the related party transactions which were entered by the Company. All related party transactions were entered into the normal course of business.

(i) During the reporting period, the total remuneration to the Directors was €47,132 (2023: €48,109), as disclosed in the Statement of Comprehensive Income and in Note 12.5

(ii) The Directors and their affiliates may advise additional funds/customer accounts in the future. Trading orders for accounts similar to those of the Company may occur contemporaneously. The Directors may also acquire or dispose of units for the Sub-Funds in a collective investment scheme either operated or advised by the Directors or by one of its affiliates.

(iii) Adventum MAGIS Zartkoru Alapok Alapja is an investment fund that is managed by Adventum Befektetési Alapkezelő Zrt. Mr Kristof Barany, who is a Director of The Company, is a member of the management body of the Fund Manager. Mr Kristof Barany is also the beneficial owner of Adventum Befektetési Alapkezelő Zrt. It holds 564 (2023: 564) investor shares resulting in a percentage holding of 53.41% (2023: 53.41%) of total investor shares.

(iv) GRW Invest KFT and Catalyst Befektetéskezelo és Szolgáltató Bt are other related parities which acquired 18 (3.41%) and 1 (0.19%) of investor shares, respectively.

(v) On 23 June 2021, the Company entered into a Guarantee with Centerus Sp. Z o.o. (the 'SPV') , stating that it will irrecocably and unconditionally guarantee to the SPV an amount of €3,250,000 in case of a trigger event as defined in the guarantee and support agreement.

(vi) Mr Kristof Barany is the 100% ultimate beneficial owner of the Company and also one of its Directors. His total remuneration for the period was €12,000 (2023: €12,000) of which none (2023: 3,000) remains outstanding.

(vii) The total interest income earned by the Company through the loan provided to subsidiaries dislosed as follows:

	2024	2023
	€	€
KEQI Kft.	**2,148,483**	2,022,716
REN Plaza Sp Z.o.o.	**428,659**	455,854
Tophill Investments Sp. Z.o.o.	**462,660**	499,736
Centerus Sp Z.o.o.	**153,424**	113,788
PCRK Invest Zrt.	**877,455**	904,015
KOMAL Invest Kft.	**77,814**	64,379
Hermes Invest Kft.	**954,435**	950,639
QUARPOL Kft.	**-**	12
	5,102,930	5,011,139

The total loan principle including interest outstanding as at year end disclosed in Note 6.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. TAXATION

In terms of current Maltese income tax legislation, the taxation of collective investment schemes is based on the classification of funds and sub-funds into 'prescribed' or 'non-prescribed' funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (as amended to date). A fund is classified as a prescribed fund by the Commissioner of Inland Revenue if it is a fund formed in accordance with the Laws of Malta, which declares that the value of assets situated in Malta allocated to the fund for the purpose of its operations amounts to at least 85% of the value of the total assets of the Company that are so allocated. Conversely, a fund which declares that the value of its assets situated in Malta allocated thereto for the purpose of its operations does not exceed 85% of the value of its total assets so allocated is treated as a non-prescribed fund.

On this basis, the Company qualifies as a non-prescribed fund for Maltese income tax purposes. Accordingly the Company is exempt from income tax pursuant to the provisions of the Income Tax Act (Chapter 123, Laws of Malta), except in respect of any income derived from immovable property in Malta. Any capital gains, dividends, interest and any other gains or profits from non-Maltese sources held by the Company may nonetheless be subject to tax imposed by the country of origin concerned and any such taxes are not recoverable by the Company or by its unitholders. Any tax withheld by the Company on payments made to Maltese resident investors at a rate of 15% on capital gains realised on any redemption, liquidation or cancellation of units is accounted for when the Company recognises the relevant payment.

The amendments to IAS 12 which have been introduced in response to the OECD's BEPS Pillar Two rules in prior year had no impact on the Company's individual financial statements as the Company is not in scope of the Pillar Two model rules as its revenue is less than EUR750 million/year.

15. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

15.1 RISK MANAGEMENT

The Company is a third-party managed fund and any reference to the Fund Manager refers to Adventum International Ltd which takes decisions in line with the policies set out in the Offering Memorandum. Risk management is carried out by the Fund Manager.

The Company is exposed to various risks arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below.

15.2 CONCENTRATION RISK

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counter party, or where a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets.

In order to mitigate the risk of concentration, although the Company does not have a diversified portfolio of investments, it ensures that investments are made in different geographical areas. The Offering Memorandum stipulates that after the termination of the subscription period the Company may not invest more than 55% of the higher of the total NAV or Committed Capital in real estate investments located in one jurisdiction. However, the Offering Memorandum also stipulates that these investment restrictions shall not apply during the Subscription Period and shall not apply after all commitments have been drawn and the fund has started selling SPVs and/or properties, starting from the 1 January 2023. The average lease terms for the real estate investments are between 2.59 and 4.70 years and each investment has different tenants. Although the Fund's underlying investment is real estate, the Fund ensures that the investments are varied (office, household, retail). The following table analyses the Company's concentration of its investments by geographical distribution (based on counterparties' place of domicile):

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	31 December 2024		31 December 2023	
	€	**%**	€	%
Poland	**43,252,772**	**31%**	48,924,667	34%
Hungary	**55,774,715**	**40%**	55,902,734	39%
Romania	**39,104,990**	**29%**	38,290,566	27%
	138,132,477		143,117,967	

15.3 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk in the current period through the interest bearing loans issued to its SPVs. Most of the Company's financial assets carry fixed interest and mature within the coming 3 years.

Debt	**Sensitivity used**	**Fair value as at 31 December**	**Effect on the fair value**
2024	**200bps**	**111,938,724**	**2,238,774**
2023	200bps	96,896,525	1,937,930

15.4 CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company only holds assets denominated in Euro, the functional currency. It is, therefore not exposed to currency risk.

15.5 CREDIT RISK

Credit risk is the risk of financial loss to the Company if a counter-party to a financial instruments fails to meet its contractual obligations, and arises principally from the Company's Cash and cash equivalents.

Cash at bank is placed with reliable financial institutions. The cash at bank is held with Sparkasse Bank Malta plc. The bank is not a credit rated entity and has no publicly issued debt or equity securities on the market. The bank is fully owned by the subsidiary of Sparkasse Schwaz AG which is a member of the Austrian Savings Bank network, comprising of all Austrian Sparkasse banks and Erste Group Bank AG. Erste Group Bank's has a current credit rating of A+/A1/A (2023: A+/A2/A) as calculated by Standard & Poor's, Moody's and Fitch credit agencies. Management considers the probability of default from such banks to be close to zero and the amount calculated using the 12 month expected credit loss model to be very insignificant. Therefore, based on the above, no loss allowance has been recognised by the company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. FINANCIAL RISK AND MANGEMENT OBJECTIVES AND POLICIES (CONTINUED)

15.6 LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities or redeem its shares earlier than expected.

As due to the capex-requirements at some asset-holding SPVs the liquidity decreased under the EUR 1million level at the Company, as stipulated in the Offering Supplement, the directorate has examined the cashflow forecast, and came to the conclusion that the necessary liquidity level can be provided with the following steps:

- Channelling back the excess liquidity from the cash positive SPVs (IC loan repayment and dividend payment)
- Bond issuance at Fund level in mid-term.
- Alternatively the expansion of the existing bank financing at SPV-level.

The above showed that the Fund does not have to face liquidity problems during its lifespan.

As at December 31, 2024

	Less than 1 month	6 - 12 months	1 - 2 years	No maturity	Total
	€	€	€	€	€
Financial Assets					
Private equity	**-**	**-**	**42,577,448**	**-**	**42,577,448**
Loans due from SPVs	**-**	**-**	**83,708,916**	**-**	**83,708,916**
Interest Receivable	**-**	**-**	**11,846,113**	**-**	**11,846,113**
Cash and cash equivalents	**-**	**-**	**-**	**835,919**	**835,919**
Total Financial Assets	**-**	**-**	**138,132,477**	**835,919**	**138,968,396**
Financial Liabilities					
Management fee payable	**1,853,906**	**-**	**-**	**-**	**1,853,906**
Other costs and expenses payable	**79,722**	**-**	**-**	**-**	**79,722**
Audit fee payable	**54,280**	**-**	**-**	**-**	**54,280**
Directors' fee payable	**3,191**	**-**	**-**	**-**	**3,191**
Financial guarantee	**-**	**-**	**-**	**4,750,000**	**4,750,000**
Reedemable investor shares	**-**	**-**	**106,930,182**	**-**	**106,930,182**
Total Financial Liabilities	**1,991,099**	**-**	**106,930,182**	**4,750,000**	**113,671,281**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. FINANCIAL RISK AND MANGEMENT OBJECTIVES AND POLICIES (CONTINUED)

15.6 LIQUIDITY RISK (CONTINUED)

As at December 31, 2023

	Less than 1 month	6 - 12 months	1 - 2 years	No maturity	Total
	€	€	€	€	€
Financial Assets					
Private equity	-	-	46,220,904	-	46,220,904
Loans due from SPVs	-	-	88,112,136	-	88,112,136
Interest Receivable	-	-	8,784,927	-	8,784,927
Cash and cash equivalents	-	-	-	64,275	64,275
Total Financial Assets	-	-	143,117,967	64,275	143,182,242
Financial Liabilities					
Management fee payable	2,011,595	-	-	-	2,011,595
Other costs and expenses payable	3,272	-	-	-	3,272
Audit fee payable	38,645	-	-	-	38,645
Directors' fee payable	9,039	-	-	-	9,039
Financial guarantee	-	-	-	3,250,000	3,250,000
Reedemable investor shares	-	-	106,930,182	-	106,930,182
Total Financial Liabilities	2,062,551	-	106,930,182	3,250,000	112,242,733

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. FINANCIAL RISK AND MANGEMENT OBJECTIVES AND POLICIES (CONTINUED)

15.7 REGULATORY RISK

On 11 March 2020, the Government of Hungary declared a national state of emergency by adopting Government Decree No. 40/2020. Pursuant to the Fundamental Law (Alaptörvény) of Hungary, this special legal regime authorises the Government to temporarily derogate from certain Acts of Parliament by issuing Government decrees. The state of emergency has been extended on multiple occasions and is currently in force until 14 November 2025.

15.8 MANAGEMENT CAPITAL

As a result of the ability to issue shares, the capital of the Company can vary depending on the demand for redemptions to the Company. The Company is not subject to externally imposed capital requirements and has no legal restrictions on the issue of redeemable shares beyond those included in the Company's constitution.

The Company's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its offering supplement;
- To achieve consistent returns while safeguarding capital by investing in a diversified portfolio;
- To maintain sufficient liquidity to meet the expenses of the Company, and to meet redemption requests as they arise; and
- To maintain sufficient size to make the operation of the Fund cost-efficient.

16. RECONCILIATION OF NET ASSET VALUE

The Company's Offering Supplement stipulates the amortisation of formation expenses over a period of 5 years following the commencement of the Company investments activities. In accordance with IFRS, formation expenses are written off to profit or loss in the period when they are incurred.

Furthermore, in line with the Company's Offering Supplement, the Company uses T-1 reporting when calculating the monthly trading NAV. Therefore adjustments are made in order to reflect any transactions which occurred during the month of December. Such adjustments are reflected in 'Other Adjustments' as per the below reconciliation. The nature of these adjustments are mainly recording of investment income derived from Loans Receivables and fair value changes from the SPVs.This note was prepared to align the trading NAV with the IFRS NAV and is not required by IFRS as adopted by the EU.

	2024	2023	2022
	€	€	€
Net asset value as per OM	**139,581,806**	142,048,534	127,401,670
Write of formation costs	**-**	(4,167)	(14,167)
Other adjustments (i)	**(2,565,724)**	(865,526)	(8,210,693)
NAV Net asset value as per IFRS	**137,016,082**	141,178,841	119,176,810

(i) Other adjustments pertain to IFRS adjustments to reflect the value as at 31 December 2024, which will differ from the trading value reported based on a T-1 calculation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. RECONCILIATION OF NET ASSET VALUE (CONTINUED)

As at December 31, 2024

	As per OM	**As per IFRS**
	€	**€**
Net asset value	**139,581,806**	**137,016,082**
Number of investor shares	**1,056**	**1,056**
NAV per share	**132,179.74**	**129,750.08**

As at December 31, 2023

	As per OM	As per IFRS
	€	€
Net asset value	142,048,534	141,590,450
Number of investor shares	1,056	1,056
NAV per share	134,515.66	134,081.87

As at December 31, 2022

	As per OM	As per IFRS
	€	€
Net asset value	127,401,670	119,178,010
Number of investor shares	1,056	1,056
NAV per share	120,645.52	112,857.96

17. SUBSEQUENT EVENTS

The change in the position of the President of the United States brought unexpected volatility and unpredictability to the movements of the world economy. Fortunately, the primary business of the group is not influenced directly by these changes, but unquestionably make the large players of the sector more cautious making large-scale, long-term investments, as well as, they are threatening the stability of global financing on longer term. These factors are to be closely monitored by the management since they might require prompt reactions in the future.

18. COMPARATIVE INFORMATION

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation format for the purpose of fairer presentation.

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INDEPENDENT AUDITOR'S REPORT
to the Shareholders of Adventum Quartum Central Europe SICAV p.l.c

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Adventum Quartum Central Europe SICAV p.l.c, set on pages 12 to 45, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, 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 International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act, Cap. 386 of the Laws of Malta (the "Companies Act").

Basis for opinion
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 Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board of Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 of the Laws of Malta*, 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 opinion.

Other information
The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon other than our reporting on other legal and regulatory requirements.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT
to the Shareholders of Adventum Quartum Central Europe SICAV p.l.c - continued

Responsibilities of the directors for the financial statements
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of the Companies Act, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 skepticism 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 directors.

- conclude on the appropriateness of the 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.

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- 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 fair presentation.

We communicate with the 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.

Report on other legal and regulatory requirements

Matters on which we are required to report by the Companies Act

We are required to express an opinion as to whether the directors' report has been prepared in accordance with the applicable legal requirements. In our opinion the directors' report has been prepared in accordance with the Companies Act.

In addition, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

We also have responsibilities under the Companies Act to report to you if in our opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records;
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities.

The partner in charge of the audit resulting in this independent auditor's report is Christopher Portelli for and on behalf of

Ernst & Young Malta Limited
Certified Public Accountants

30 June 2025

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