

**Prespa Ohrid Nature Trust (PONT)
Offenbach am Main/Germany**

Annual financial statements
for the financial year
from 1 January to 31 December 2020

TRANSLATION

– German version prevails –

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Prespa Ohrid Nature Trust (PONT), Offenbach am Main/Germany
Balance sheet as at 31 December 2020

Assets	31 Dec.2020 EUR	31 Dec. 2019 EUR	31 Dec. 2020 EUR	31 Dec. 2020 EUR	31 Dec. 2019 EUR	31 Dec. 2019 EUR
A. Fixed assets						
I. Property, plant and equipment						
Operating and office equipment	183.00	548.00				
II. Financial assets						
Long-term securities	34,899,624.65	23,483,084.83				
	<u>34,899,807.65</u>	<u>23,483,632.83</u>				
B. Current assets						
I. Receivables and other assets						
Other assets	76,213.32	23,048.83				
II. Bank balances	4,084,885.47	12,387,332.00				
	<u>4,161,098.79</u>	<u>12,410,380.83</u>				
	<u>39,060,906.44</u>	<u>35,894,013.66</u>				
A. Equity						
I. Foundation capital						
1. Permanent endowment fund	3,000,000.00				3,000,000.00	
2. Donations	<u>27,000,000.00</u>				<u>22,600,000.00</u>	
			30,000,000.00			25,600,000.00
II. Reserves						
1. Capital reserves	8,244,979.39				9,507,224.80	
2. Revenue reserves	<u>646,700.10</u>				<u>646,700.10</u>	
			8,891,679.49			10,153,924.90
III. Funds carried forward						
			<u>43,030.58</u>			<u>62,395.69</u>
			38,934,710.07			35,816,320.59
B. Provisions						
Other provisions			<u>69,416.29</u>			<u>76,064.81</u>
C. Liabilities						
1. Liabilities to banks			2,606.77			0.94
2. Trade payables			886.22			81.17
3. Other liabilities			<u>53,287.09</u>			<u>1,546.15</u>
			56,780.08			1,628.26
			<u>39,060,906.44</u>			<u>35,894,013.66</u>

Prespa Ohrid Nature Trust (PONT), Offenbach am Main/Germany
Statement of profit and loss for the financial year from 1 January to 31 December 2020

	2020 EUR	2020 EUR	2019 EUR	2019 EUR
1. Investment income and other revenue				
a) Investment income				
aa) Dividends	81,429.45		43,031.07	
ab) Interest and similar income	76,591.38		29,096.97	
ac) Fund distribution	243,886.23		234,934.61	
ad) Income from realised asset shifting	0.00		691,808.71	
ae) Income from currency translation	282,597.00		2,675.33	
		684,504.06		1,001,546.69
b) Realized capital losses		-365,992.39		0.00
c) Expenses for asset investments		-194,037.65		-163,949.51
d) Expenses from currency translation		-34,871.98		-119,498.36
Net investment income		89,602.04		718,098.82
e) Income from grants and other income		41,472.10		9,000.00
Net income		131,074.14		727,098.82
2. Project and program expenses as well as other expenses				
Direct project support				
a) Funding measures	-1,102,946.00		-1,058,237.60	
b) Consultancy and other projects	-11,165.00		-28,180.05	
		-1,114,111.00		-1,086,417.65
Internal project development and monitoring		-113,549.78		-116,423.95
External project development and monitoring		-2,400.00		-3,200.00
Administrative and other expenses				
a) Administrative expense	-167,612.25		-180,824.08	
b) Fundraising and promotional expense	-15,011.63		-13,583.51	
		-182,623.88		-194,407.59
Total project expenses and other expenses		-1,412,684.66		-1,400,449.19
3. Loss for the period		-1,281,610.52		-673,350.37
4. Funds brought forward from the prior year		62,395.69		8,814.25
5. Withdrawals from the reserve for the endowment with assets		1,262,245.41		966,298.08
6. Allocations to the reserves				
Allocation to the free reserves		0.00		-239,366.27
7. Funds carried forward		43,030.58		62,395.69

Prespa Ohrid Nature Fund (PONT), Offenbach am Main/Germany

Notes to the financial statements for the financial year 2020

General information and explanations on the annual financial statements

Prespa Ohrid Nature Trust (PONT) was established as foundation under civil law under the name Prespa Ohrid Nature Trust (PONT) with foundation business dated 20 October 2015. The recognition by the district president took place on 12 November 2015. The Foundation is registered within the foundation register of the Darmstadt district.

As a general rule, the financial year is the calendar year. The annual financial statements as at 31 December 2020 were prepared in compliance with the Foundation's charter in accordance with the provisions under German GAAP applicable for corporations of similar size. In the financial year, the Foundation met the criteria for a small business corporation (Sec. 267 (1) HGB).

As regards the classification of the balance sheet and the statement of profit and loss, the particularities that arise from the activity of the Foundation were taken into account. The statement of profit and loss was prepared based on the cost-of-sales format in accordance with Sec. 275 (3) German Commercial Code (HGB) under taking into account the particularities under foundation law.

Accounting and valuation principles

The accounting and valuation principles applied unchanged when compared to the prior year.

Property, plant and equipment and financial assets are measured at acquisition cost in accordance with Sec. 255 (1) German Commercial Code (HGB). At the property, plant and equipment, the wear and tear is considered by depreciation, measured on the basis of accepted useful lives and under using the straight-line method. Financial assets are written down to the lower fair value in case of a lasting permanent impairment in value. The Foundation does not exercise the option in case of a presumably temporary impairment in value.

The receivables and other assets are measured at acquisition cost or at lower fair value on balance sheet date.

Bank balances are recognised at nominal value.

The values recognised for the other provisions include all risks identifiable and uncertain liabilities. They are recognised at settlement amount based on sound business judgement.

Liabilities are carried at settlement amount.

Transactions denominated in foreign currencies are generally recorded at the rate in effect on the date of transaction. Receivables and liabilities denominated in foreign currencies are translated at the rate in effect on the day of origin. The translation of the currency items as of balance sheet date is generally made in accordance with the provisions under Sec. 256a HGB and thus at the middle spot rate in effect on balance sheet date.

Notes to the balance sheet

Fixed assets

The movements in fixed assets are presented in the attached statement of movements in fixed assets.

Financial assets

As regards the security portfolio making part of the financial assets with a book value of EUR 34,899,624.65 as at the end of the reporting year, the following securities are disclosed over their fair values (market rates as of balance sheet date):

	Nominal value/number	Book value	Fair value
	EUR	EUR	EUR
Bonds			
Aroundtown SA	200,000	210,002.00	208,676.00
Covestro AG	200,000	214,488.00	212,388.00
Covivio S.A.	200,000	213,444.44	210,158.00
Deutsche Bahn Finance GmbH	200,000	203,208.00	202,680.00
Deutsche Pfandbriefbank AG 0.75% 19(23)	100,000	102,010.00	101,710.00
Eutelsat S.A.	100,000	107,593.30	106,970.00
Grenke Finance PLC 2019(24)	75,000	79,027.50	71,250.00
Hammerson PLC	160,000	165,956.80	157,688.00
Infineon Technologies	200,000	208,232.00	207,978.00
Croatia, Republic EO-Notes 3.00% 2015(25)	100,000	113,621.00	112,570.00
LEG Immobilien AG	200,000	207,600.00	207,154.00
Merlin Properties SOCIMI S.A. 2016 2.225% (16/23)	75,000	79,755.00	78,318.00
Proximus S.A.	200,000	219,998.00	218,590.00
Romania EO-Med.-Term Nts 2.00% 2019(26)	75,000	80,775.00	80,415.00
SoftBank Group Corp.	120,000	126,000.00	123,873.60
Thermo Fisher Scientific Inc. 2.15% 2015(15/22)	75,000	79,094.25	77,261.25
Unibail-Rodamco	200,000	212,180.00	204,240.00
Vonovia Finance	200,000	213,078.00	206,884.00
		2,836,063.29	2,788,803.85

Shares			
Akamai Technologies Inc.	1,190	112,903.07	101,353.87
American Financial Group Inc.	180	17,749.40	12,799.38
Ascendas Real Estate Inv.Trust	52,300	102,823.18	96,810.16
Assa-Abloy AB	4,770	96,245.96	96,046.00
Astellas Pharma Inc.	1,000	15,714.79	12,586.86
AXA S.A.	2,850	56,895.83	56,076.60
Boston Scientific Corp.	450	18,644.51	13,019.86
Boston Scientific Corp. Reg. Shares	2,450	87,465.32	70,885.90
Cembra Money Bank AG	170	17,554.72	16,780.85
Cerner Corp. Reg. Shares	1,030	67,654.96	65,369.41
Cetral Japan Railway Co.	100	18,154.94	11,520.85
Elisa Oyj Reg. Shares	400	19,802.43	17,948.00
Fidelity Natl Inform.Svcs Inc. Reg. Shares	770	95,514.64	87,440.47
Galenica AG	350	19,432.86	19,014.73
Home Depot Inc.	305	68,321.92	65,845.45
IQVIA Holdings Inc.	460	67,808.68	66,459.84
Juniper Networks Inc.	800	16,126.86	14,454.30
Kon KPN N.V.	7,250	18,986.67	18,175.75
Münchener Rückvers.-Ges. AG	75	19,928.81	18,210.00
Ping An Insurance (Grp) Co.China	1,000	10,851.44	9,875.26
S+P Global Inc.	195	59,614.32	51,361.48
Schindler Holding AG	85	19,250.54	18,674.95
S'pore Telecommunications Ltd.	6,000	13,503.90	8,560.36
Swire Properties Ltd.	5,000	15,161.84	11,970.01
Swiss Re AG	200	20,146.45	15,348.07
Tiffany & Co.	150	18,094.04	16,035.24
Tokio Marine Holdings Inc.	300	14,912.26	12,574.23
Trane Technologies PLC	1,070	126,838.88	126,123.63
Unibail-Rodamco-Westfield SE	135	18,769.82	8,775.00
Verisign Inc.	100	19,052.26	17,457.48
		1,273,925.29	1,157,553.99
Funds			
AMU.ETF Govies	5,484	649,064.71	640,311.84
CANDR.BDS-CRE.OPP.	979	1,420,714.81	1,374,271.25
I.M.III.Euromts	6,390	649,325.37	640,812.27
ISH.EB.R.GOV.GER.0-1Y U.ETF DE	7,036	553,555.19	528,333.24
ISHSIII-MSCI T.UK RE LSD Funds	14,920	82,926.11	79,125.24
Lyxor Euro Cash	6,154	649,027.01	640,031.39

M.F.-M.EN.Y.S.-T.H EO I.A FUNDS	16,000	1,478,403.77	1,405,600.00
Proteca II-CO Adv. Esg.	7,965	798,809.85	781,525.80
		6,281,826.82	6,090,011.03
Other shares			
Corestate Highstreet VI		600,000.00	576,506.92
Crown European Privat Debit/CEPD II		595,210.00	576,940.00
Generation IM Sustainable Solutions Fund III		400,169.74	375,300.99
		1,595,379.74	1,528,747.91
		11,987,195.15	11,565,116.78

As at 31 December 2020, no write-downs to the lower market rates were made for these financial assets, since it is expected that the impairments are not of permanent nature. This assumption is justified by the fact that these market values showed only short-term and low fluctuations in the past.

Other assets

The other assets include a receivable of EUR 35,566.22 from Nature Trust Alliance GbR, Frankfurt am Main/Germany, being a company under civil law, whose shareholders are PONT next to Caucasus Nature Fund, Blue Action Fund and Internationaler Naturerbe Fonds -Legacy Landscapes Fund (LLF).

The sundry other assets relate to interest receivables and a receivable on a dividend. Like in the prior year, the other assets are due within one year.

Bank balances denominated in foreign currencies

As of balance sheet date, the Foundation discloses bank balances denominated in foreign currencies of USD 672,931.90 (EUR 548,717.15), ALL 1,021,372.32 (EUR 8,349.13) and CHF 5,466.10 (EUR 5,050.81).

Foundation capital

The former foundation capital remained unchanged as of the balance sheet date. An additional endowment of EUR 4,400,000.00 was made in the reporting year by the KfW.

Capital reserves

The capital reserves result from reserves in accordance with Sec. 62 (3) no. 2 AO and amount to EUR 8,244,979.39 as of 31 December 2020.

In the financial year 2016, the founder MAVA, Fondation pour la Nature, Gland, Switzerland, and, via the KfW Development Bank also the Federal Ministry for Economic Cooperation and Development (BMZ) have made endowments of EUR 6,600,000 and EUR 6,000,000, respectively, to the reserves under Sec. 62 (3) no. 2 German Tax Code (AO) (hereafter referred to as “MAVA Sinking Fund” and “KfW Sinking Fund”). Following the agreement with MAVA, the MAVA Sinking Fund must be used together with the therewith realised investment income in the years 2016 to 2030 for grants to the Greek NGO Société pour la Protection de Prespa (hereafter referred to as SPP).

endowment	2016 Original amount	Balance as of 31 December 2019	New endowment	2020	
				Withdrawal from reserve for use for SPP	Balance as of 31 December 2020
		EUR	EUR	EUR	EUR
MAVA Sinking Fund	6,600,000	4,575,062	0	640,144	3,934,917

According to the agreement with KfW Development bank, the KfW Sinking Fund must be used in terms of the Foundation’s mission at the latest until the year 2030 but only for projects in the Republic of North Macedonia and in Albania. Furthermore, general administration costs as well as the costs of the office in Albania can be covered with the sinking fund. The following table (rounded amounts in EUR) presents the development of these reserves and the use of the investment income from these funds.

endowment	2016 Original amount	Balance as of 31 December 2019	New endowment	2020	
				Withdrawal from reserve for statutory use in terms of the Foundation’s mission	Balance as of 31 December 2020
		EUR	EUR	EUR	EUR
KfW Sinking Fund	6,000,000	4,932,163	0	622,102	4,310,062

Revenue reserves

The revenue reserves can be analysed as follows:

	31 Dec. 2020	31 Dec. 2019
	EUR	EUR
Free reserves in accordance with Sec. 62 (1) no.3 AO	239,366.27	239,366.27
Savings reserve in accordance with Sec. 62 (4) AO	407,333.83	407,333.83
Total	646,700.10	646,700.10

Provisions

The other provisions include outstanding invoices for asset management services received in the reporting year, for the preparation and audit of the annual financial statements, for deposit fees, for accounting services and for cost transfers.

Liabilities

Liabilities to banks relate to a bank account with a negative balance on the balance sheet date.

The other liabilities result from so-called variation margin payments from open unconditional futures as of balance sheet date (futures on the USD).

Like in the prior year, all liabilities have a term of up to one year.

Notes to the statement of profit and loss

The dividends result from long-term securities.

Interest and similar income relates to bonds disclosed under the long-term securities and to a current account. In addition, interest charged by banks in the prior year and reimbursed in the financial year is included.

Distributions from funds result from investment fund shares disclosed under the long-term securities.

The expenses for the asset investment result from fees paid for investment consultancy, from deposit fees, custody fees, foreign withholding taxes and from administration expenses of Nature Trust Alliance GbR that relate to the asset investment.

Grants, subsidies and other income include a grant received from the benefactor MAVA, Fondation pour la Nature, Gland, Switzerland, grants received from private donors and income from the reversal of provisions.

The expenses for promotion measures and projects relate to direct promotion measures in the Prespa area. The expenses for direct project support include employee benefit expenses, travel costs and rental costs for the offices kept in the focal area.

The administrative expenses comprise own personnel expenses, personnel expenses incurred on the level of Nature Trust Alliance GbR, rent and other office expenses as well as audit fees and external accounting costs, insurance premiums, travel costs and sundry operational expenses. The borrowing and advertising expense exclusively includes staff costs.

Other disclosures

Unconditional futures are closed for hedging currency risks for bank balances denominated in USD. So-called variation margin payments are made on each day in line with the market value of the futures. Results from closed out futures are recognised through profit or loss. Received or paid margin payments for not yet closed out futures as of balance sheet date are disclosed as liabilities or receivables. Valuation units in terms of Sec. 254 HGB were not created.

The liabilities of Nature Trust Alliance GbR, Frankfurt am Main/Germany, in which the Foundation is the personally liable shareholder, amount to EUR 107,691.02 as of the balance sheet date.

As of the reporting date, there are (as yet uncalled) payment obligations for direct investments in the area of asset investment amounting to kEUR 1,162.

Foundation council

Ms Maria de Koning, Executive Director, Tirana, Albania

Foundation board

Ms Lynda Brooke Mansson (Chairwoman), Director General, MAVA Fondation pour la Nature, Gland, Switzerland

Mr Dimitrios Karavellas (Deputy Chairman), Director General, World Wide Fund for Nature Greece, Athens, Greece

Mr Christoph Mathias Tiskens, Head of Regional Department Southeast Europe and Turkey, KfW, Frankfurt am Main, Germany (until 22 October 2020)

Dr Klaus Martin Philipp Müller, Head of Regional Department Southeast Europe and Turkey, KfW, Frankfurt am Main, Germany (as from 1 November 2020)

Mr David Fielding Morrison, Conservationist, Executive and Non-Executive Director on Conservation Trust Fund and Public Company Boards, Paris, France

Mr Gabriel Schwaderer, EuroNatur Foundation, Executive Director, Radolfzell, Germany

Number of employees

In addition to the executive director, the Foundation had two employees in the annual average of the financial year 2020.

Offenbach am Main/Germany, 30 April 2021

Prespa Ohrid Nature Trust (PONT)
The Foundation Council

Prespa Ohrid Nature Trust (PONT), Offenbach am Main/Germany
Movements in fixed assets in the financial year 2020

	Acquisition cost				Accumulated amortisation, depreciation and write-downs				Book value	Book value
	1 Jan. 2020 EUR	Additions EUR	Disposals EUR	31 Dec. 2020 EUR	1 Jan. 2020 EUR	Additions EUR	Disposals EUR	31 Dec. 2020 EUR	31 Dec. 2020 EUR	31 Dec. 2019 EUR
A. Fixed assets										
I. Property, plant and equipment										
Operating and office equipment	2,222.16	0.00	0.00	2,222.16	1,674.16	365.00	0.00	2,039.16	183.00	548.00
II. Financial assets										
Long-term securities	23,483,084.83	20,119,457.20	8,702,917.38	34,899,624.65	0.00	0.00	0.00	0.00	34,899,624.65	23,483,084.83
Total fixed assets	23,485,306.99	20,119,457.20	8,702,917.38	34,901,846.81	1,674.16	365.00	0.00	2,039.16	34,899,807.65	23,483,632.83