

**3I HEALTHCARE PARTNERS RAIF
V.C.I.C LTD**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Chrysis Pegasiou Demetris Stavrou
Company Secretary:	Petsas Fiduciary Services Ltd 36 Griva Digeni, Flat 403 1066 Nicosia Cyprus
Independent Auditors:	PQS Advisors Limited Certified Public Accountants and Registered Auditors 121 Prodrinou street Hadjikyriakou Building, office 501 2064 Nicosia, Cyprus
Depositary:	7Q Financial Services Ltd 9 Arch Makariou III Avenue, 3rd floor 1065 Nicosia Cyprus
External manager:	7Q Asset Management Ltd 9 Arch Makariou III Avenue, 3rd floor 1065 Nicosia Cyprus
Expert advisor:	Dr. Demetris Stavrou
Registered office:	9 Arch Makariou III Avenue Severis Building, 3rd floor 1065 Nicosia Cyprus
Bankers:	Hellenic Bank Public Company Ltd
Registration number:	HE418746

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS RESPONSIBILITIES

The Board of Directors is responsible for preparing the financial statements in accordance with applicable laws and regulations.

The Board of Directors is required to prepare the financial statements for each financial year in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the EU, and applicable law. In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRS Standards have been followed, subject to any material departures disclosed and explained within the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Board of Directors is responsible for keeping adequate accounting records that are sufficient to show and explain the Fund's transactions and disclose with reasonable accuracy the financial position of the Fund.

They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board of Directors,



Chrysis Pegasiou
Director

Nicosia, 13 March 2023

Independent Auditor's Report

To the Members of 3I Healthcare Partners RAIF V.C.I.C Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company 3I Healthcare Partners RAIF V.C.I.C Ltd (the "Fund"), which are presented in pages 4 to 22 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company 3I Healthcare Partners RAIF V.C.I.C Ltd as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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 Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

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

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

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

Independent Auditor's Report (continued)

To the Members of 3I Healthcare Partners RAIF V.C.I.C Ltd

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund'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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Other Matter

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



Charalambos Kassapis
Certified Public Accountant and Registered Auditor
for and on behalf of
Proquaserv Advisors Limited
Certified Public Accountants and Registered Auditors

Nicosia, 13 March 2023

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		01/01/2022- 31/12/2022	25/02/2021- 31/12/2021
	Note	€	€
Net fair value gains on financial assets at fair value through profit or loss	13	336.857	-
Administration expenses	9	(71.781)	-
Operating profit		265.076	-
Finance costs	10	(3.529)	-
Increase in net assets attributable to holders of redeemable shares before tax		261.547	-
Tax	11	-	-
Increase in net assets attributable to holders of redeemable shares for the year/period		261.547	-
Other comprehensive income		-	-
Increase in net assets attributable to holders of redeemable shares		261.547	-

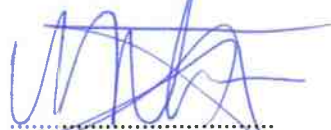
The notes on pages 9 to 20 form an integral part of these financial statements.

3i HEALTHCARE PARTNERS RAIF V.C.I.C LTD

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

	Note	2022 €	2021 €
ASSETS			
Current assets			
Cash at bank	14	1.122.917	2.915.000
Receivables	12	23.921	15.000
Financial assets at fair value through profit or loss	13	4.433.497	1.246.640
		5.580.335	4.176.640
Total assets		5.580.335	4.176.640
EQUITY AND LIABILITIES			
Current liabilities			
Payables	17	382.148	400.000
Net assets attributable to holders of redeemable shares	16	5.198.187	3.776.640
REPRESENTED BY:			
Net assets attributable to holders of redeemable shares		5.198.187	3.776.640
		5.198.187	3.776.640

On 13 March 2023 the Board of Directors of 3i Healthcare Partners RAIF V.C.I.C Ltd authorised these financial statements for issue.


.....
Chrysis Pegasiou
Director


.....
Demetris Stavrou
Director

The notes on pages 9 to 20 form an integral part of these financial statements.

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

STATEMENT OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	€	€
Balance at 1 January/25 February	3.776.640	-
Increase in net assets attributable to holders of redeemable shares	261.547	-
Contributions and redemptions by holders of redeemable shares:		
Issue of redeemable shares during the year /period	1.160.000	3.776.640
Total contributions and redemptions by holders of redeemable shares	1.160.000	3.776.640
Balance at 31 December	5.198.187	3.776.640

The notes on pages 9 to 20 form an integral part of these financial statements.

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	01/01/2022- 31/12/2022	25/02/2021- 31/12/2021
	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets attributable to holders of redeemable shares before tax	261.547	-
Adjustments for:		
Fair value gains on financial assets at fair value through profit or loss	(336.857)	-
	(75.310)	-
Changes in working capital:		
Increase in receivables	(8.921)	(15.000)
Increase in financial assets at fair value through profit or loss	(2.850.000)	(1.246.640)
(Decrease)/increase in payables	(17.852)	400.000
Cash used in operations	(2.952.083)	(861.640)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	1.160.000	3.776.640
Net cash generated from financing activities	1.160.000	3.776.640
Net (decrease)/increase in cash and cash equivalents	(1.792.083)	2.915.000
Cash and cash equivalents at beginning of the year/period	2.915.000	-
Cash and cash equivalents at end of the year/period	1.122.917	2.915.000

The notes on pages 9 to 20 form an integral part of these financial statements.

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Incorporation and principal activities

Country of incorporation

3i Healthcare Partners Raif V.C.I.C Ltd (the "Fund") was incorporated in Cyprus on 25 February 2021 as a private limited liability company under the Cyprus Companies Law, Cap. 113. The Fund operates as a Registered Alternative Investment Fund (RAIF) under Part VIII of the AIF Law under registration number RAIF73 and in accordance with the Directive 124-01 (Directive DI124-01) regarding the "Registration of RAIFs in, and deletion from, the RAIFs Register. Its registered office is at 9 Archiepiskopou Makariou III Avenue, Severis Building, 3rd floor, 1065 Nicosia, Cyprus.

Investment objective, strategy and policy

The primary investment objective is to provide investors with attractive risk-adjusted returns taking into account the opportunities and the risks of the Healthcare system in Cyprus, by investing in a portfolio of equities, fixed income, non-traditional investments in the healthcare sector as well as healthcare and senior housing real estate that the External Manager of the Fund believes have special investment value. The Fund focuses its investment strategy mainly to investments in healthcare services including medical clinics and day case centres as well as investments in diagnostic centres (medical imaging).

The External Manager aims to pursue the investment strategy of the Fund by constructing a portfolio of equities, fixed income, non-traditional investments, and Healthcare and senior housing real estate.

The Fund's opportunistic strategy primarily seeks to create value by:

paying consistent current income through cash distributions to the investors

maintaining the investors' capital contribution; and

realizing capital appreciation through the potential sale of the assets of the Fund by optimizing the timing of the sale.

The Fund is expected to be exposed to Single name concentration risk.

Principal activity

The principal activity of the Fund is the investment in a diversified portfolio of equities, fixed income and non-traditional investments in the healthcare sector as well as healthcare and senior housing real estate as prescribed in the Fund's Prospectus.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of, and investments and financial liabilities at fair value through profit or loss.

3. Functional and presentation currency

The financial statements are presented in Euro (€) which is the functional currency of the Fund.

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Adoption of new or revised standards and interpretations

During the current year the Fund adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Fund.

5. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Tax

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

Investments

Financial assets - Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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

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

All other financial assets are classified as measured at FVTPL.

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

Financial assets - Recognition and derecognition

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

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

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Significant accounting policies (continued)

Investments (continued)

Financial assets - Measurement

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

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

Debt instruments

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

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

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

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

Equity instruments

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

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

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Significant accounting policies (continued)

Investments (continued)

Financial assets - impairment - credit loss allowance for ECL

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

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

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

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

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

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

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

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Fund identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 7, Credit risk section, for a description of how the Fund determines when a SICR has occurred. If the Fund determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Fund's definition of credit impaired assets and definition of default is explained in note 7, Credit risk section.

Additionally the Fund has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 7, Credit risk section for a description of how the Fund determines low credit risk financial assets.

Financial assets -Reclassification

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

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Significant accounting policies (continued)

Investments (continued)

Financial assets - write-off

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

Financial assets - modification

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

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

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

Cash and cash equivalents

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

Classification as financial assets at amortised cost

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

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Significant accounting policies (continued)

Investments (continued)

Financial liabilities - measurement categories

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

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

Financial liabilities - Modifications

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

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

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

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

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

Offsetting financial instruments

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

Share capital

Ordinary shares are classified as equity.

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Significant accounting policies (continued)

Redeemable share capital

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

6. New accounting pronouncements

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

7. Financial risk management

Financial risk factors

The Fund is exposed to market price risk, credit risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Fund to manage these risks are discussed below:

7.1 Market price risk

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

7.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

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

7.3 Capital risk management

The Fund manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Fund's overall strategy remains unchanged from last year.

8. Critical accounting estimates and judgments

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

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

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Critical accounting estimates and judgments (continued)

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Critical judgements in applying the Fund's accounting policies

- **Fair value of investments**

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

- **Impairment of investments**

The loss allowances for investments are based on assumptions about risk of default and expected loss rates. The Fund uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Fund's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 7, Credit risk section.

9. Expenses by nature

	01/01/2022- 31/12/2022	25/02/2021- 31/12/2021
	€	€
Custody fees	5.739	-
Professional fees	7.500	-
Administration fees	5.410	-
Management fees	46.825	-
Audit fees	5.607	-
Annual levy	700	-
Total expenses	71.781	-

10. Finance costs

	01/01/2022- 31/12/2022	25/02/2021- 31/12/2021
	€	€
Sundry finance expenses	3.529	-
Finance costs	3.529	-

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Tax

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

	01/01/2022- 31/12/2022	25/02/2021- 31/12/2021
	€	€
Increase in net assets attributable to holders of redeemable shares before tax	<u>261.547</u>	-
Tax calculated at the applicable tax rates	32.693	-
Tax effect of expenses not deductible for tax purposes	9.414	-
Tax effect of allowances and income not subject to tax	<u>(42.107)</u>	-
Tax charge	<u>-</u>	-

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

12. Receivables

	2022	2021
	€	€
Receivables from own subsidiaries (Note 18.1)	<u>23.921</u>	15.000
	<u>23.921</u>	15.000

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

13. Financial assets at fair value through profit or loss

	2022	2021
	€	€
Balance at 1 January/25 February	1.246.640	-
Additions	2.850.000	1.246.640
Change in fair value	<u>336.857</u>	-
Balance at 31 December	<u>4.433.497</u>	1.246.640

The Fund holds 100% of the ordinary share capital of EIPS Limited whose principal activity is the development and management of surgical clinic.

The financial assets at fair value through profit or loss are valued by at least one independent (external) Valuer hired by the External Manager, whereas all other valuations will be performed by the External Manager internally in accordance with Article 19 of the AIFM Law. The external Valuer will value the private equity assets based on International Private Equity and Venture Capital Valuation guidelines consisting of Price of recent transactions, Milestones; and Market Multiples /Transactions Multiples. The Directors may, at their discretion, adjust the value of an asset downwards (but not upwards) if they feel that the valuation of the asset is overly optimistic. In case an asset is sold, then its value will be the sale price achieved in the sale regardless of any valuations for that asset.

Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

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

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14. Cash at bank

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2022	2021
	€	€
Cash in transit	-	2.500.000
Cash at bank	<u>1.122.917</u>	<u>415.000</u>
	<u>1.122.917</u>	<u>2.915.000</u>

The exposure of the Fund to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 7 of the financial statements.

15. Share capital

	2022	2022	2021	2021
	Number of	€	Number of	€
	shares		shares	
Issued and fully paid				
Balance at 1 January/25 February	<u>1.000</u>	-	<u>1.000</u>	-
Balance at 31 December	<u>1.000</u>	-	<u>1.000</u>	-

Issued capital

Upon incorporation on 25 February 2021 the Fund issued to the subscribers of its Memorandum of Association 1.000 management shares of no par value.

The Management Shares shall:

- Carry voting rights in respect of all matters to be resolved in a general meeting of the Fund;
- Not be entitled to participate in any dividends and/or other Distributions to be made out of the profits of the Fund;
- Not be redeemable;
- On a return of capital, on a winding up or otherwise:
 1. have the right to repayment of capital after the return of capital paid up on the Investor Shares; and
 2. after the return of capital, not be entitled to the surplus of assets of the Fund.

Dividends may not be declared in respect of the management shares. The holders of these shares are only entitled to a repayment of the paid up capital up to par value upon the winding up of the Fund (if any). Such payment is in priority for the holders of the redeemable shares and then to the holders of the management shares.

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Net assets attributable to holders of redeemable shares

16.1 Redeemable shares

	2022 Number of shares	2022 €	2021 Number of shares	2021 €
Issued and fully paid				
Balance at 1 January/25 February	37.766	3.776.640	-	-
Increase in net assets attributable to holders of redeemable shares	-	261.547	-	-
Issue of redeemable shares during the year /period	11.455	1.160.000	37.766	3.776.640
Balance at 31 December	49.221	5.198.187	37.766	3.776.640

The Net Asset Value per share as at 31 December 2022 was € 105,61 (2021: € 100).

Subject to the provisions of the Prospectus and Memorandum & Articles of Association of the Fund, the Investor Shares:

- Shall not confer upon the holders thereof the right to receive notices of or to attend and vote at any general meeting of the Fund unless as otherwise stipulated in the Articles;
- Shall be transferable and redeemable, in accordance with the provisions of the Articles and the Information Memorandum;
- Shall be entitled to participate in dividends of the Fund and/or other Distributions to be made out of the profits thereof;
- Shall at the request of any of the holders thereof, but subject to restrictions contained in the Articles and the Information Memorandum, be redeemed by the Company directly or indirectly out of the Fund's assets.

17. Payables

	2022 €	2021 €
Prepayments for future subscriptions	363.000	400.000
Accruals	19.148	-
	382.148	400.000

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

18. Related party transactions

The following transactions were carried out with related parties:

18.1 Receivables from own subsidiary (Note 12)

	2022 €	2021 €
As at 31 December	23.921	15.000

The receivables from own subsidiary are of a finance nature, interest free and have no specified repayment date.

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

19. Other key contracts

- Fund administrator

The Fund appointed Cydris Fund Services Limited, a fund administration company incorporated in Cyprus, to provide administrative services including financial accounting services to the Fund. The administration agreement can be terminated by either party providing 3 months written notice to the other party.

- Depositary

The Fund has appointed 7Q Financial Services Ltd to act as Depositary to the Fund pursuant to the Depositary Agreement. The depositary is providing depositary services in relation to the private and/or non listed companies or other legal entities, keeping under safe custody any other titles, proof of holding and legal documents such as loan agreements, collecting all income on securities as instructed by the Fund and presenting for payment all securities which are called, redeemed or which otherwise become payable as instructed by the Fund. The Fund reserves the right to change the depositary arrangements and/or in its discretion to appoint additional or alternative depositary subject to the notification and approval of the Cyprus Securities and Exchange Commission. The agreement may be terminated by either party providing 3 months written notice to the other party.

20. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 3 to 4

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

COMPUTATION OF CORPORATION TAX FOR THE YEAR ENDED 31 DECEMBER 2022

	Page	€	€
Net profit per income statement	5		261.547
<u>Add:</u>			
Annual levy		700	
Disallowed expenses		74.153	
Notional interest		457	
		<hr/>	<hr/>
			75.310
			<hr/>
			336.857
<u>Less:</u>			
Fair value gains on financial assets at fair value through profit or loss		336.857	
		<hr/>	<hr/>
			(336.857)
Chargeable income for the year			<hr/> <hr/>
			-

3I HEALTHCARE PARTNERS RAIF V.C.I.C LTD

**9 Arch Makariou III Avenue
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1065 Nicosia
Cyprus**

Proquaserv Advisors Limited
Certified Public Accountants and Registered Auditors
121 Prodromou Street, Office 501
Hadjikyriakion Building, 2064 Strovolos,
Nicosia, Cyprus

13 March 2023

Management representation letter for the audit of the year ended 31 December 2022

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of 3I Healthcare Partners RAIF V.C.I.C Ltd (the "Fund") for the year ended 31 December 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

By a resolution of the Board of Directors, passed today, we are directed to confirm to you, in respect of the financial statements of the Fund for the year ended 31 December 2022, the following:

We confirm that, to the best of our knowledge and belief and having made appropriate inquiries of other Directors and officials and staff of the Fund as we considered necessary for the purpose of appropriately informing ourselves, that we can make the following representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that you are aware of that information.

I. Financial statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial statements in accordance with IFRSs as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113, which give a true and fair view in accordance therewith, and for making accurate representations to you. We further confirm that we have reviewed and approved the financial statements.
- 2) All transactions undertaken by the Fund have been properly reflected in the accounting records and the financial statements.
- 3) We confirm that we have reviewed the Fund's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view for the Fund's particular circumstances, as required by International Accounting Standard IAS1: Presentation of financial statements.
- 4) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 5) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of IFRSs as adopted by the EU.

6) Litigation and claims

- i) We confirm that all known, actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and have been appropriately accounted for and disclosed in the financial statements in accordance with IFRSs as adopted by the EU.
- ii) We are not aware of any pending or threatened litigation, proceedings, hearing or claims negotiations, which may result in significant loss to the Fund.

7) Events after the reporting period

All events subsequent to the date of the financial statements and for which IFRSs as adopted by the EU require adjustment or disclosure have been adjusted or disclosed in the financial statements. Other than as described in the financial statements, there have been no circumstances or events subsequent to the period end, which require adjustment of or disclosure in the financial statements or in the notes thereto.

8) Uncorrected misstatements

We confirm that the financial statements are free of material misstatements, including omissions. We believe that the effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.

9) Going concern

We confirm that, having considered our future expectations and intentions for the next twelve months, and the availability of working capital, the Fund is a going concern. We further confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.

II. Information provided

10) Accounting records

- i) All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken have been properly reflected and recorded in the accounting records. All other records and related information which have requested by you for the purpose of the audit, including minutes of Directors, shareholders and relevant management meetings, have been made available to you and no such information has been withheld. We have also provided unrestricted access to persons within the Fund from whom you determined it necessary to obtain audit evidence.

11) Related parties

We confirm, that we have disclosed to you the identity of the Fund's related parties and all the related party relationships and transactions of which we are aware. We also confirm that we have appropriately accounted for and disclosed in the financial statements all related party transactions relevant to the Fund and that we are not aware of any other such matters required to be disclosed in the financial statements under International Accounting Standard 24 'Related Party Disclosures'.

12) Fraud

- i) We acknowledge as Directors that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.
- ii) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- iii) We have disclosed to you all information relating to any fraud or suspected fraud known to us that may have affected the Fund (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), and involves Management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements. We have also disclosed any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others, that could affect the Fund's financial statements.

13) Laws and regulations

- i) We confirm that we are not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations that are central to the Fund's ability to conduct its business or that could have a material effect on the financial statements.
- ii) We confirm that we are not aware of any irregularities, or allegations of irregularities including fraud, involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

14) Contractual arrangements/agreements

- i) All contractual arrangements entered into by the Fund with third parties have been properly reflected in the accounting records or, where material (or potentially material) to the financial statements, have been disclosed to you.
 - ii) The Fund has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
 - iii) There are no other agreements not in the ordinary course of business.
- 15) The Fund has satisfactory title to all assets and there are no liens or encumbrances on the Fund's assets, except for those disclosed in the financial statements.

III. Other representations

Assets and liabilities

- 16) We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- 17) In our opinion on realization in the ordinary course of business, the current assets in statement of financial position are expected to produce no less than the carrying amounts at which they are stated.

18) Provisions

- i) Full provision has been made for all liabilities at the reporting date including guarantees, commitments and contingencies where the items are expected to result in significant loss to the Fund. Other such items, where in our opinion provision is unnecessary, have been appropriately disclosed in the financial statements.

Disclosures

- 19) We have recorded or disclosed, as appropriate, all capital stock repurchase options or agreements, and capital stock reserved for options, warrants, conversions and other requirements.
- 20) We have recorded or disclosed, as appropriate, all arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and lines of credit or similar arrangements.
- 21) We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements all guarantees that we have given to third parties, including oral guarantees made by the Fund on behalf of an affiliate, Director, officer or any other third party.
- 22) There are no other liabilities that are required to be recognised and no other contingent assets or contingent liabilities that are required to be disclosed in the financial statements in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, including liabilities or contingent liabilities arising from illegal or possible illegal acts.

23) Taxation

We have provided you with all information related to all significant income tax uncertainties of which we are aware. We have also provided you with access to all opinions and analyses that relate to positions we have taken in regard to significant income tax matters.

24) Accounting estimates

- i) We confirm that we have used appropriate measurement processes, including related assumptions and models, in determining the accounting estimate that are disclosed in the financial statements. We further confirm that measurement processes were consistently applied from year to year and that the assumptions appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Fund where relevant to the accounting estimates and disclosures.
- ii) We confirm that disclosures related to accounting estimates are complete and appropriate under the IFRSs adopted by the EU.
- iii) We confirm that no adjustments are required to be made to the accounting estimates and disclosures included in the financial statements as a result of subsequent events.
- iv) We believe the assumptions and techniques used by us are appropriate and that all fair value measurements are determined in accordance with IFRS 13.

25) Financial Instruments

We confirm that we have disclosed information relating to the Fund's exposures to risks arising from financial instruments that is adequate to enable users to evaluate the nature and extent of those risks to which the Fund is exposed at the end of the reporting period, in accordance with IFRS 7, including the exposures to risks and how they arise, our objectives, policies and procedures for managing the risks, the methods used to measure risks, and a summary of quantitative data about our exposure to risks. We confirm that:

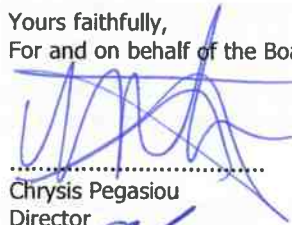
- Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments have been appropriately disclosed in the financial statements. Further, the quantitative data disclosed are representative of the Fund's exposure to risks arising from financial instruments during the period.
 - There are no outflows of cash that could occur significantly earlier than indicated in the summary quantitative data about exposure to liquidity risk, or that could be for significantly different amounts from those included in that data.
- 26) We confirm that we have appropriately performed impairment testing in accordance with IAS 36 Impairment of Assets.

27) Transactions with Directors/officers

Except as disclosed in the financial statements, no other transactions involving Directors, officers and others requiring disclosure in the financial statements under the Companies Law, Cap. 113 have been entered into.

Yours faithfully,

For and on behalf of the Board of Directors of 3I Healthcare Partners RAIF V.C.I.C Ltd



.....
Chrysis Pegasiou
Director



.....
Demetris Stavrou
Director