LONGEVC RAIF V.C.I.C. LTD

REPORT AND FINANCIAL STATEMENTS
31 December 2022

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LONGEVC RAIF V.C.I.C. LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Sergejs Jakimovs (appointed 14 December 2020) Christos Voniatis (appointed 14 December 2020)
Company Secretary:	Plantrust Secretarial Limited 1, Stasinou Avenue Mitsis Building, Floor 1, Flat 4 Eleftheria Square 1060 Nicosia, Cyprus
Independent Auditors:	SPL Audit (Cyprus) Ltd Certified Public Accountants and Registered Auditors 13 Kypranoros Street 2nd floor, Office 201, 1061 P.O. Box 28860, CY-2083 Nicosia, Cyprus
Legal Consultants:	Stellos Ieronymides & Associates Law Office Stasinou, 1 Mitsi Building 1, Floor 1, Flat 4 Plateia Eleftherias 1060, Nicosia, Cyprus
Depositary:	7Q Financial Services Ltd 9, Archiepiskopou Makariou III Avenue Severis Building, 3rd Floor 1065 Nicosia, Cyprus Licensed by the CySEC as a CIF under the Investment Services Law with license number 061/05
External Manager:	7Q Asset Management LTD 9, Archiepiskopou Makariou III Avenue Severis Building, 3rd Floor 1065 Nicosia, Cyprus Licensed by the CySEC as an AIFMn under the AIFM Law with license number AIFM36/56/2013
Expert Advisors:	Longevc SIA Antonijas str.22-20 Riga, LV-1010 Latvia
Registered office:	Stasinou, 1 Mitsi Building 1, Floor 1, Flat 4 Plateia Eleftherias 1060 Nicosia, Cyprus
Bankers:	The Cyprus Delevopment Bank Public Company Ltd Bank of Cyprus Public Company Ltd JSC "Rietumu Banka" TFI Markets Ltd
Registration number:	HE416262

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of LongeVC RAIF V.C.I.C. Ltd (the 'Fund') for the year ended 31 December 2022.

Incorporation
The Fund was incorporated in Cyprus on 14 December 2020 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Fund
The Fund has the legal form of a VCIC and has been incorporated as a private company limited by shares under the Companies Law of Cyprus, under registration number HE 416262. The Fund operates as a RAIF under Part VIII of the AIF Law, under registration number RAIF68 (registration date 1 March 2021) and in accordance with the Directive 124-01, regarding the "Registration of RAIFs in, and deletion from, the RAIFs Register".

The Fund is a closed-ended RAIF, within the meaning of the AIF Law, whereas the rights of Investors requiring Redemption, are specified in the Articles and in the Information Memorandum.

The Fund operates as a RAIF with one Investment Compartment (single scheme). The Investor Shares are at all times available to Professional Investors and/or Well-Informed Investors only. The Fund is an Externally Managed RAIF by an AIFM, being currently the External Manager, so that the provisions of the AIFM may additionally apply to those of the AIF Law to the Fund. In case of conflict between the provisions of the AIFM Law and of the AIF Law, as applicable to the Fund, the latter shall prevail.

The External Manager is a boutique AIFM specialising in management of AIFs and RAIFs, regulated by the CySEC and holding license number AIFM36/56/2013, which has been obtained in compliance with the provisions of the AIFM Law, which has been transposed into Cypriot Law as per the EU's Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD"). The External Manager brings together a team of highly skilled financial professionals from various backgrounds, with a wealth of international experience. The AIFM license held by the External Manager covers all investment strategies and asset classes (to be) pursued by the Fund, launched from time to time.

The Fund operates as a RAIF with one investment compartment and is invested in accordance with the investment objectives, investment policy, risk profile and the investment techniques.

The committed capital when called, will be invested in a specific portfolio of assets, constituting the Fund. Investor Shares shall be issued to Investors in registered form. Titles to registered shares are evidenced by the relevant entries in the Fund's Register. Investor Shares shall carry no voting rights and no pre-emptive subscription rights. In the event of the liquidation of the Fund, each Investor Share is entitled to its proportionate share of the Fund's assets, after payment of the Fund's debts and expenses and taking into account the Fund's rules for the allocation of assets and liabilities, as these are set out in the Articles. The Fund, qualifying as a Variable Capital Investment Company/V.C.I.C., has its share capital being always equal to the Fund NAV. The Fund's (current) total committed capital is automatically adjusted when additional Investor Shares are issued and no special announcements or publicity or other publicity formalities under the Companies Law are required in relation thereto.

The Fund is entitled to acquire, purchase, trade or invest in, in accordance with the Information Memorandum, the provisions of the Articles, the AIF Law, the AIFM Law and the CySEC Directives.

Review of current position, future developments and performance of the Fund's business
The Fund's development to date, financial results and position as presented in the financial statements are considered satisfactory.

The Fund's investment strategy is designed to maximize value creation towards its Investors, by leveraging on its Management Team's expertise across a broad range of sectors and its substantial experience in the field of innovations in biotech and longevity.

To achieve its strategic goals, the Fund intends to have a stake in the future high-growth longevity businesses by supporting them early.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Fund are disclosed in notes 6, 7 and 17 of the financial statements.

Use of financial Instruments by the Fund
The Fund Is exposed to market price risk, interest rate risk, credit risk and liquidity risk from the financial instruments it holds.

Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Fund's financial assets at fair value through 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.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Fund's income and operating cash flows are substantially independent of changes in market interest rates as the Fund has no significant interest-bearing assets. The Fund is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Fund to cash flow interest rate risk. Borrowings issued at fixed rates expose the Fund to fair value interest rate risk. The Fund's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures including outstanding receivables and contract assets.

Credit risk is managed on an individual basis. For banks and financial institutions, the Fund has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

The Fund's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. No maturity table disclosing the undiscounted cash flows of the underlying liabilities has been presented as all outstanding balances are due within 12 months and consequently their carrying amounts are representative of their contractual cash flows and the impact of discounting is not significant.

Equity

The Management Shares

The Management Shares:
- 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 Distributions, to be made out of the profits of the Fund;
- Not be redeemable, and
- On a return of capital, on a winding up or otherwise:

1. have the right of capital repayment, 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 the Fund's assets.

MANAGEMENT REPORT

The Investors Contribution

The Fund is registered to operate as a RAIF with one Investment Compartment (single scheme), in accordance with Article 134 of the AIF Law. The Fund will invest in seed and pre-A stage private equity assets.The Fund offers one (1) class of Investor Shares.The Fund will invest either directly or by committing to Project Companies (SPVs) the minimum level of capital required to formulate its investment strategies.

The Investor Shares shall:
- Not confer upon the holders thereof the right to receive notices or to attend and vote at any general meeting of the Fund, unless as otherwise stipulated in the Articles;
- Be transferable and redeemable, in accordance with the provisions of the Articles and the Information Memorandum, providing shareholding rights such as right of First Refusal, etc.;
- Not have any right of use on the Fund's assets;
- Be entitled to participate in any Distributions to be made out of the profits thereof.

Issued Capital

Upon incorporation on 14 December 2020 the Fund issued to the subscribers of its Memorandum of Association 3,000 ordinary management shares of no par value (€0,00).

Investors Commitment shares

The investors total commitment shares value as per the subscriptions agreement signed, for the period ended 31 December 2022, is totally amounted to €6,615,000.

As at 31 December 2022, the amount of €3,462,945 was funded by all the Fund's investors. The remaining investors unfunded commitment is totally amounted to €3,152,055.

Board of Directors

The members of the Fund's Board of Directors as at 31 December 2022 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2022.

In accordance with the Fund's Articles of Association all Directors presently members of the Board continue in office.

Independent Auditors

The Independent Auditors, SPL Audit (Cyprus) Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Plantrust Secretarial Limited
Secretary

Nicosia, 23 June 2023

Independent Auditor's Report

To the Members of Longevc RAIF V.C.I.C. Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Longevc RAIF V.C.I.C. Ltd (the "Fund"), which are presented in pages 8 to 29 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, net assets attributable to unitholders 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 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.

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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include 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.

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.

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.

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Independent Auditor's Report (continued)

To the Members of Longevc 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.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Fund and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report

Independent Auditor's Report (continued)

To the Members of Longevc RAIF V.C.I.C. Ltd

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.

Andreas Georgiou
Certified Public Accountant and Registered Auditor
for and on behalf of
SPL Audit (Cyprus) Ltd
Certified Public Accountants and Registered Auditors

Nicosia, 23 June 2023

LONGEVC RAIF V.C.I.C. LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 December 2022

	Note	2022 €	2021 €
Revenue			
Interest income		**39,641**	1,566
Net fair value gains/(losses) on financial assets at fair value through profit or loss	12	**162,716**	(130)
Net foreign exchange profit/(loss)	10	**14,819**	(1,945)
		217,176	(509)
Administration and other expenses	8	**(128,350)**	(155,702)
Operating profit/(loss)		**88,826**	(156,211)
Finance costs		**(3,592)**	(2,618)
Net finance costs	9	**(3,592)**	(2,618)
Increase/(decrease) in net assets attributable to unitholders for the year/period		**85,234**	(158,829)
Other comprehensive income		**-**	-
Increase/(decrease) in net assets attributable to unitholders		**85,234**	(158,829)

STATEMENT OF FINANCIAL POSITION
31 December 2022

	Note	2022 €	2021 €
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	12	**2,257,152**	500,683
Total non-current assets		**2,257,152**	500,683
Current assets			
Cash and cash equivalents	13	**797,608**	15,241
Receivables	11	**380,659**	-
Total current assets		**1,178,267**	15,241
Total assets		**3,435,419**	515,924
Equity			
Management shares	14	**-**	-
Current liabilities			
Payables	16	**46,070**	24,003
Total current liabilities		**46,070**	24,003
Total liabilities (excluding net assets attributable to unitholders)		**46,070**	24,003
Net assets attributable to unitholders		**3,389,349**	491,921
REPRESENTED BY:			
Net assets attributable to unitholders		**3,389,349**	491,921
		3,389,349	491,921

On 23 June 2023 the Board of Directors of Longevc RAIF V.C.I.C. Ltd authorised these financial statements for issue.

....
Sergejs Jakimovs
Director

....
Christos Vonlatis
Director

The notes on pages 12 to 29 form an integral part of these financial statements.

STATEMENT OF NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
31 December 2022

	2022	2021
	€	€
Balance at 1 January/14 December	**491,921**	-
Increase/(decrease) in net assets attributable to unitholders	**85,233**	(158,829)
Contributions and redemptions by unitholders:		
Issue of units during the year /period	**2,812,195**	650,750
Total contributions and redemptions by unitholders	**2,812,195**	650,750
Balance at 31 December	**3,389,349**	491,921

The notes on pages 12 to 29 form an integral part of these financial statements.

LONGEVC RAIF V.C.I.C. LTD

CASH FLOW STATEMENT
31 December 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Increase/(decrease) in net assets attributable to unitholders /(loss) before tax		**85,234**	(158,829)
Adjustments for:			
Unrealised exchange (profit)/loss		**(3,650)**	1,945
Fair value (gains)/losses on financial assets at fair value through profit or loss		**(162,716)**	130
Interest income		**(39,641)**	(1,566)
Interest expense	9	**30**	-
		(120,743)	(158,320)
Changes in working capital:			
Increase in receivables		**(380,660)**	-
Increase in financial assets at fair value through profit or loss		**(1,550,462)**	(501,192)
Increase in payables		**22,067**	24,003
Cash used in operations		**(2,029,798)**	(635,509)
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Investors commitment shares		**2,812,195**	650,750
Interest paid		**(30)**	-
Net cash generated from financing activities		**2,812,165**	650,750
Net increase in cash and cash equivalents		**782,367**	15,241
Cash and cash equivalents at beginning of the year/period		**15,241**	-
Cash and cash equivalents at end of the year/period	**13**	**797,608**	15,241

The notes on pages 12 to 29 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

The Fund Longevc RAIF V.C.I.C. Ltd (the "Fund") was incorporated in Cyprus on 14 December 2020 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Stasinou, 1, Mitsi Building 1, Floor 1, Flat 4, Plateia Eleftherias 1060, Nicosia, Cyprus.

Principal activities

The Fund has the legal form of a VCIC and has been incorporated as a private company limited by shares under the Companies Law of Cyprus, under registration number HE 416262. The Fund operates as a RAIF under Part VIII of the AIF Law, under registration number RAIF68 (registration date 1 March 2021) and in accordance with the Directive 124-01, regarding the "Registration of RAIFs in, and deletion from, the RAIFs Register".

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The External Manager is a boutique AIFM specialising in management of AIFs and RAIFs, regulated by the CySEC and holding license number AIFM36/56/2013, which has been obtained in compliance with the provisions of the AIFM Law, which has been transposed into Cypriot Law as per the EU's Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD"). The External Manager brings together a team of highly skilled financial professionals from various backgrounds, with a wealth of international experience. The AIFM license held by the External Manager covers all investment strategies and asset classes (to be) pursued by the Fund, launched from time to time.

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The committed capital when called, will be invested in a specific portfolio of assets, constituting the Fund. Investor Shares shall be issued to Investors in registered form. Titles to registered shares areevidenced by the relevant entries in the Fund's Register. Investor Shares shall carry no voting rights and no pre-emptive subscription rights. In the event of the liquidation of the Fund, each Investor Share is entitled to its proportionate share of the Fund's assets, after payment of the Fund's debts and expenses and taking into account the Fund's rules for the allocation of assets and liabilities, as these are set out in the Articles. The Fund, qualifying as a Variable Capital Investment Company/V.C.I.C., has its share capital being always equal to the Fund NAV. The Fund's (current) total committed capital is automatically adjusted when additional Investor Shares are issued and no special announcements or publicity or other publicity formalities under the Companies Law are required in relation thereto.

The Fund is entitled to acquire, purchase, trade or invest in, in accordance with the Information Memorandum, the provisions of the Articles, the AIF Law, the AIFM Law and the CySEC Directives.

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 financial assets and financial liabilities at fair value through profit or loss.

2. Basis of preparation (continued)

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.

3. 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.

4. Significant accounting policies

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

Revenue

Recognition and measurement

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

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

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

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

4. Significant accounting policies (continued)

Revenue (continued)

Identification of performance obligations

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

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

- **Interest income**

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

Interest

Interest income and expense, including interest income from non-derivative financial assets at fair value through profit or loss, are recognised in the statement of profit or loss and other comprehensive income using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, when appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable, and interest paid or payable are recognised in the statement of profit or loss and other comprehensive income as interest income and interest expense, respectively.

Finance income

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

Finance costs

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

Foreign currency translation

(1) Functional and presentation currency
Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Fund's functional and presentation currency.

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

4. Significant accounting policies (continued)

Financial assets

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.

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.

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement (continued)

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 profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

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

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

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 profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

The 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.

4. Significant accounting policies (continued)

Financial assets (continued)

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

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

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

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

The impairment methodology applied by the 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 6, 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 6, Credit risk section.

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

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.

4. Significant accounting policies (continued)

Financial assets (continued)

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.

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.

4. Significant accounting policies (continued)

Financial assets (continued)

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.

Prepayments

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

4. Significant accounting policies (continued)

Compound financial instruments

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

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

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

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

Convertible preference shares

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

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

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

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

5. New accounting pronouncements

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

6. Financial risk management

Financial risk factors
The Fund is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, reputation risk, share ownership 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:

6.1 Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Fund's financial assets at fair value through 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.

6. Financial risk management (continued)

6.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Fund's income and operating cash flows are substantially independent of changes in market interest rates as the Fund has no significant interest-bearing assets. The Fund is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Fund to cash flow interest rate risk. Borrowings issued at fixed rates expose the Fund to fair value interest rate risk. The Fund's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

6.3 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures including outstanding receivables and contract assets.

(i) Risk management

Credit risk is managed on an individual basis. For banks and financial institutions, the Fund has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

The Fund's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Fund to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Fund has the following types of financial assets that are subject to the expected credit loss model:
- cash and cash equivalents
- credit commitments

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 the Fund applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the 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 asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the 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"). 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.

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

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

Cash and cash equivalents

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

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents (continued)

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

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

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

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

6.4 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. No maturity table disclosing the undiscounted cash flows of the underlying liabilities has been presented as all outstanding balances are due within 12 months and consequently their carrying amounts are representative of their contractual cash flows and the impact of discounting is not significant.

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

6.6 Reputation risk
The risk of loss of reputation arising from the negative publicity relating to The Fund's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Fund. The Fund applies procedures to minimize this risk.

Reputation risk is the current or prospective risk to earnings and capital arising from an adverse perception of the image of the Company on the part of customers, counterprties, shareholders, investors or regulators. Reputation risk could be triggered by poor performance, the loss of one or more of the Company's key directors, the loss of large client, poor customer service, fraut or theft, cutomer claims an legal action, regulatory fines. The risk is restricted through the acceptance of the terms and conditions used by the Company to execute its operations. The Company applies procedures to minimize this risk.

6.7 Share ownership risk
The risk of share ownership arises from the investment in shares/participation of the Fund and is a combination of credit, price and operational risk as well as the risk of compliance and loss of reputation. The Fund applies procedures of analysis, measurement and evaluation of this risk in order to minimize it.

6.8 Capital risk management
The Fund's objectives in managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

Fair value estimation

The fair values of the Fund's financial assets and liabilities approximate their carrying amounts at the reporting date.

6. Financial risk management (continued)

Fair value estimation (continued)

The fair value of financial instruments that are not traded in an active market is determined by using assumptions that are based on market conditions existing at the reporting date.

7. Critical accounting estimates, judgments and assumptions

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.

Critical accounting estimates and assumptions

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

- **Calculation of loss allowance**

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

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

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

Critical judgements in applying the Fund's accounting policies

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The 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 financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Impairment of financial assets**

  The loss allowances for financial assets 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 6, Credit risk section.

8. Administration and other expenses

	2022	2021
	€	€
Annual levy	350	350
Auditors' remuneration	4,165	2,975
Directors' fees	6,000	3,000
Other professional fees	1,766	827
Fines	140	-
Fund management fees and expert advisor fees	110,962	118,750
Depositary fees	3,333	10,000
Fund establishment costs	-	19,800
VAT registration fee	1,634	-
	128,350	155,702

9. Finance costs

	2022	2021
	€	€
Interest expense	30	-
Sundry finance expenses	3,562	2,618
Finance costs	3,592	2,618

10. Net profit/(loss) from foreign exchange transactions

	2022	2021
	€	€
Realised exchange profit	11,169	-
Unrealised exchange profit/(loss)	3,650	(1,945)
	14,819	(1,945)

Realised exchange profit arises from transactions in foreign currencies, translated to Euro using the rate of exchange ruling at the date of the transaction.

The unrealised exchange profit/(loss) arises from monetary assets and liabilities denominated in foreign currencies, translated to Euro using the rate of exchange ruling at the reporting date.

11. Receivables

	2022	2021
	€	€
Deposits and prepayments	7,715	-
Deferred Management fees	101,037	-
Unpaid share capital	271,907	-
	380,659	-

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

12. Financial assets at fair value through profit or loss

	2022	2021
	€	€
Balance at 1 January/14 December	**500,683**	501,192
Additions	**1,590,103**	1,636
Change in fair value	**162,716**	(130)
Exchange differences	**3,650**	(2,015)
Balance at 31 December	**2,257,152**	500,683

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

	2022	2021
	€	€
Financial assets at fair value through profit or loss		
Investment in Turn Biotechnologies - Convertible Note	**467,050**	439,650
Investment in Turn Biotechnologies - Convertible Note - Accrued interest 5%	**25,016**	1,566
Investment in First Longevity	**219,192**	59,467
Investment in Longenesis Inc. - Convertible Note	**500,000**	-
Investment in Longenesis Inc. - Convertible Note - Accrued interest 5%	**15,753**	-
Investment in PreComb Therapeutics AG - Convertible Note	**656,501**	-
Investment in AOA DX Inc.	**373,640**	-
	2,257,152	500,683

The financial assets at fair value through profit or loss are not traded in an active market and are valued using assumptions that are based on market conditions existing at 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 profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

13. Cash and cash equivalents

Cash balances are analysed as follows:

	2022	2021
	€	€
Cash at bank	**797,608**	15,241
	797,608	15,241

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

14. Management shares

	2022	2021
	€	€
Authorised and Issued		
Management shares - 3,000		
3,000 management shares - of no par value	**-**	-

14. Management shares (continued)

Issued capital

Upon incorporation on 14 December 2020 the Fund issued to the subscribers of its Memorandum of Association 3,000 ordinary management shares of no par value (€0,00).

The Management shares

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 Distributions, to be made out of the profits of the Fund;
- Not be redeemable, and
- On a return of capital, on a winding up or otherwise:

1. have the right of capital repayment, 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 the Fund's assets.

15. Investors contribution

	2022	2021
	€	€
Investor 1 - ID 200001	**157,050**	41,100
Investor 2 - ID 200002	**104,700**	27,400
Investor 3 - ID 200003	**261,749**	68,500
Investor 4 - ID 200004	**130,875**	34,250
Investor 5 - ID 200005	**261,749**	68,500
Investor 6 - ID 200006	**523,499**	137,000
Investor 7 - ID 200007	**104,700**	27,400
Investor 8 - ID 200008	**942,298**	246,600
Investor 9 - ID 200009	**523,499**	-
Investor 10 - ID 200010	**452,827**	-
Balance at 31 December	**3,462,945**	650,750

The Investors contribution

The Fund is registered to operate as a RAIF with one Investment Compartment (single scheme), in accordance with Article 134 of the AIF Law. The Fund will invest in seed and pre-A stage private equity assets.The Fund offers one (1) class of Investor Shares.The Fund will invest either directly or by committing to Project Companies (SPVs) the minimum level of capital required to formulate its investment strategies.

The Investor Shares shall:
- Not confer upon the holders thereof the right to receive notices or to attend and vote at any general meeting of the Fund, unless as otherwise stipulated in the Articles;
- Be transferable and redeemable, in accordance with the provisions of the Articles and the Information Memorandum, providing shareholding rights such as right of First Refusal, etc.;
- Not have any right of use on the Fund's assets;
- Be entitled to participate in any Distributions to be made out of the profits thereof.

Investors unfunded commitment

The investors total commitment shares value as per the subscriptions agreement signed, for the period ended 31 December 2022, amounts to €6,615,000. As at 31 December 2022, the amount of €3,462,945 was funded by all the Fund's investors as analysed above. The remaining investors unfunded commitment is analysed below:

15. Investors contribution (continued)

Investor 1 - ID 200001: €142,950
Investor 2 - ID 200002: €95,300
Investor 3 - ID 200003: €238,251
Investor 4 - ID 200004: €119,125
Investor 5 - ID 200005: €238,251
Investor 6 - ID 200006: €476,501
Investor 7 - ID 200007: €95,300
Investor 8 - ID 200008: €857,702
Investor 9 - ID 200009: €476,501
Investor 10 - ID 200010: €412,174

All Investors convert on corresponding Closings (First and Subsequent), their monetary Commitments to Fund Sharing Percentages, by dividing each such Commitment to the current total Commitments. Subscriptions and Redemptions shall take place in accordance with the provisions of the AIF Law, the Articles, this Information Memorandum and the Subscription Agreement.

The issue and allotment of Investor Shares follows the submission of a Subscription Application, which also includes the relevant agreement and the acceptance of the relevant application by the Fund or the External Manager, acting on behalf of the Fund.

The payment of Commitments upon Capital Calls may take place in cash, by depositing the applicable amount in a bank account opened with a credit institution in the name of the Fund or in the name of the External Manager, acting on behalf of the Fund or in the name of the Depositary, acting on behalf of the Fund.

16. Payables

	2022	2021
	€	€
Accruals	4,205	3,610
Other creditors	430	592
Payables to associates (Note 18.3)	19,800	19,800
Payables to other related parties (Note 18.3)	21,635	-
	46,070	24,002

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

17. Operating Environment of the Fund

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

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

17. Operating Environment of the Fund (continued)

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

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

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

The event did not exist in the reporting period and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2022 as it is considered as a non-adjusting event.

The Fund has limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries.

Despite the limited direct exposure, the conflict is expected to negatively impact the tourism and services industries in Cyprus. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Fund. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Fund and has concluded that there is no significant impact in the Fund's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely.

18. Related party transactions

The Fund is managed by 7Q Asset Management Limited (the "External Manager"), an entity registered in Cyprus and regulated by the Cyprus Securities and Exchange Commission.

The following transactions were carried out with related parties:

18.1 External Manager, Expert Advisor & Depositary

		2022	2021
	Nature of transactions	**€**	€
7Q Financial Services Ltd	Depositary Fees	**10,000**	10,000
7Q Asset Management Limited	Fund Management Fees	**61,965**	118,750
SIA LongeVC	Expert Advisory Fees	**48,998**	-
		120,963	128,750

18.2 Directors' remuneration

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

	2022	2021
	€	€
Directors' fees	**6,000**	3,000
	6,000	3,000

18. Related party transactions (continued)

18.3 Payables to related parties (Note 16)

Name	**2022** €	2021 €
LongeVC SIA	**41,435**	19,800
	41,435	19,800

The payables to related parties relates to settlement of the Funds' administration costs. The amount is interest free, and there was no specified repayment date.

19. Contingent liabilities

The Fund had no contingent liabilities as at 31 December 2022.

20. Commitments

The Fund had no capital or other commitments as at 31 December 2022.

21. 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.

As explained in note 17 the geopolitical situation in Eastern Europe intensified on 24 February 2022, with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds and additional sanctions are imposed.

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