

Prespa Ohrid Nature Trust (PONT), Offenbach am Main

Balance sheet as of December 31, 2016

Assets

	Dec. 31, 2016	Dec. 31, 2015
	EUR	EUR
A. Fixed assets		
I. Property, plant and equipment		
Other equipment, operating and office equipment	826.00	0.00
II. Financial assets		
Investment securities	12,201,385.55	0.00
	12,202,211.55	0.00
B. Current assets		
I. Other assets	43,565.28	19.77
II. Cash and cash equivalents	12,824,988.19	3,000,055.19
	12,868,553.47	3,000,074.96
	25,070,765.02	3,000,074.96

Equity and Liabilities

	Dec. 31, 2016		Dec. 31, 2015	
	EUR	EUR	EUR	EUR
A. Equity				
I. Foundation capital				
1. Initial endowment	3,000,000.00		3,000,000.00	
2. Additional endowments	9,600,000.00	12,600,000.00	0.00	3,000,000.00
II. Reserves				
1. Reserve pursuant to Section 62 (3) no. 2 AO	12,054,835.51		0.00	
2. Savings reserve pursuant to Section 62 (4) AO	9,930.07	12,064,765.58	0.00	0.00
III. Net loss for the year		0.00		-20,973.55
IV. Funds carried forward		307,942.60		0.00
		24,972,708.18		2,979,026.45
B. Provisions				
Other provisions		86,355.21		7,600.00
C. Liabilities				
1. Trade payables		1,573.27		13,448.51
2. Other liabilities		10,128.36		0.00
		11,701.63		13,448.51
		25,070,765.02		3,000,074.96

Prespa Ohrid Nature Trust (PONT), Offenbach am Main

Income statement for the period from January 1 to December 31, 2016

1. Investment income and other revenue

- a) Investment income
 - aa) Dividend income
 - ab) Interest and similar income
 - ac) Distributions from funds
 - ad) Other investment income
- b) Investment-related expenses

Net investment income

- c) Income from grants and subsidies

Net revenue

2. Project and other expenses

- a) Project and support expenses
 - aa) Support projects
 - ab) Project development and technical services
- b) Administrative and similar expenses
 - ba) Administrative expenses
 - bb) Fundraising and communication expenses

Total project and other expenses

3. Net loss for the year before transfer to/withdrawal from reserves

4. Withdrawal from revenue reserves: reserve pursuant to Section 62 (3) no. 2 AO

5. Transfer to revenue reserves: reserve pursuant to Section 62 (4) AO

6. Loss carryforward

7. Funds carried forward

Jan. 1 to Dec. 31, 2016		Jan. 1 to Dec. 31, 2015	
EUR	EUR	EUR	EUR
1,483.58		0.00	
7,219.78		74.96	
72,272.85		0.00	
287.10	81,263.31	0.00	74.96
	-66,497.73		0.00
	14,765.58		74.96
	160,000.00		0.00
	174,765.58		74.96
-250,000.00		0.00	
-18,250.00	-268,250.00	0.00	0.00
-109,930.56		-21,048.51	
-2,903.29	-112,833.85	0.00	-21,048.51
	-381,083.85		-21,048.51
	-206,318.27		-20,973.55
	545,164.49		0.00
	-9,930.07		0.00
	-20,973.55		0.00
	307,942.60		-20,973.55

Prespa Ohrid Nature Trust (PONT), Offenbach am Main

Notes to the financial statements for the 2016 financial year

General disclosures and explanations on the financial statements

Prespa Ohrid Nature Trust (PONT) was established as a civil law foundation named 'Prespa Ohrid Nature Trust (PONT)' by means of an act of foundation of October 20, 2015. It was recognized by the government president on November 12, 2015. The financial year is the calendar year. The prior year was a short financial year from November 12, 2015 to December 31, 2015. The financial statements as of December 31, 2016, have been prepared pursuant to the Foundation's charter in accordance with the provisions of the German Commercial Code [HGB] governing corporations of comparable size. The Foundation met the criteria of a small-sized corporation in the financial year (Section 267 (1) HGB).

The breakdown of items in the balance sheet and income statement took account of the distinctive features arising from the activities of the Foundation.

The income statement was prepared on the basis of the cost of sales method pursuant to Section 275 (3) HGB taking into consideration the legal characteristics of foundations.

Accounting policies

The accounting policies remained unchanged from the prior year.

Property, plant and equipment and financial assets are measured at cost in accordance with Section 255 (1) HGB. Property, plant and equipment is depreciated using rates based on the useful life recognized for tax purposes under the straight-line method. Financial assets are written down to the lower of cost or fair value in the event of anticipated permanent impairment.

Receivables and other assets as well as cash at banks are stated at nominal value.

Values assigned to other provisions include all identifiable risks and contingent liabilities. They are recognized at the settlement amount required according to prudent commercial judgment.

Liabilities are recognized at settlement amount.

Transactions in foreign currencies are generally recorded at the exchange rate on the date of the transaction. Foreign currency receivables and liabilities are measured at the exchange rate applicable on the date of the transaction. Foreign currency items are generally translated at the average spot exchange rates applicable on the balance sheet date in accordance with the provisions of Section 256a HGB.

Explanatory notes on the balance sheet

The classification and movements in fixed assets are presented in the statement of movements in fixed assets as part of the balance sheet.

Financial assets include a securities portfolio with a book value of EUR 12,201,385.55 as of the end of the financial year. The following securities in the portfolio were recognized at amounts exceeding their fair value:

	Nominal value/shares		Book value		Fair value	
Bonds						
Volkswagen INT. Finance	EUR	120,000.00	EUR	123,108.00	EUR	121,326.00
K+S AG	EUR	120,000.00	EUR	136,638.00	EUR	134,919.60
Priceline Group Inc.	EUR	150,000.00	EUR	162,277.50	EUR	158,790.00
Hannover Rück SE	EUR	100,000.00	EUR	104,300.00	EUR	102,433.00
PKO FI.AB.M.T.LN.P.NT14 PKO Bk.	EUR	150,000.00	EUR	156,000.00	EUR	154,425.00
O2 Telefoni. Dtd.Finanzi. Anl.	EUR	150,000.00	EUR	162,412.50	EUR	162,060.00
Carlsberg Breweries	EUR	150,000.00	EUR	168,859.50	EUR	166,635.00
Sabic Capital	EUR	120,000.00	EUR	129,572.40	EUR	128,400.00
VAR.% TOTAL	EUR	100,000.00	EUR	99,622.00	EUR	98,370.00
Morrison Supermarkets PLC	EUR	100,000.00	EUR	106,487.00	EUR	105,000.00
Ryanair DAC MTN 14	EUR	100,000.00	EUR	106,538.52	EUR	105,350.00
Pictet-DL Gov. Bds Hpdyeo Funds	Shares	700	EUR	243,582.00	EUR	227,794.00
Candr. BDS-Cre. Opp.	Unit	264	EUR	401,393.52	EUR	399,585.12
M.F.-M.EN.Y.S.-T.H EO I.A FUNDS	Unit	28,945	EUR	2,716,593.83	EUR	2,697,963.45
				4,817,384.77		4,763,051.17
Investment shares						
Unilever N.V. Cert. Aandelen	Unit	2,250	EUR	88,875.00	EUR	87,480.00
Henkel AG & Co. KGaA	Unit	750	EUR	85,983.13	EUR	84,937.50
VISA Inc. Reg. Shares Class A	Unit	1,100	EUR	81,643.44	EUR	80,927.00
Reckitt Benckiser Group Rg.Sh.	Unit	890	EUR	71,796.05	EUR	71,062.05
DEUTSCHE POST Namens-Aktien	Unit	1,950	EUR	60,134.47	EUR	60,099.00
CVS Health Corp. Reg.Shares	Unit	850	EUR	64,657.08	EUR	63,367.50
Alibaba Group Hold. Reg.Shares	Unit	770	EUR	65,219.18	EUR	63,763.70
iShares MSCI Target UK	Unit	27,625	EUR	153,879.14	EUR	152,213.75
ISHSIII-MSCI T.USA RE DLD Funds	Unit	10,975	EUR	259,128.65	EUR	258,022.25
Highstreet VI	Unit	1,049.48	EUR	600,000.00	EUR	598,967.42
				1,531,316.14		1,520,840.17

As of December 31, 2016, none of these financial investments had been written down to lower market values as they were not expected to be permanently impaired. This assumption was based on the fact that the fluctuations in market value that had occurred in the past were short term and negligible.

As in the prior year, other assets are due within one year.

As of the balance sheet date, the Company reported credit balances with banks in foreign currencies of USD 4,910.67.

The Foundation's previous capital remained unchanged at the full amount as of the reporting date.

The German Federal Ministry for Economic Cooperation and Development, Berlin, [BMZ], contributed two additional endowments of EUR 4,600,000 and EUR 5,000,000 to the Foundation's capital via Germany's KfW development bank [KfW].

Pursuant to Section 62 (3) no. 2 of the German Tax Code [AO], the founder MAVA, Fondation pour la Nature, Gland, Switzerland, and BMZ via KfW made contributions to the reserves in the reporting year of EUR 6,600,000 and EUR 6,000,000, respectively (hereinafter referred to as the "MAVA Sinking Fund" and "KfW Sinking Fund"). According to the agreement with MAVA, the Mava Sinking Fund and any associated income generated from investments are to be used as grants to the Greek NGO Société pour la Protection de Prespa (hereinafter: SPP) for the years 2016 to 2030. According to the agreement with KfW, the KfW Sinking Fund is to be used to fulfil the purpose of the Foundation by the year 2030 at the latest, however only for projects in the Republic of Macedonia and Albania. The following table (rounded amounts in EUR) presents the development of these reserves and the use of income from assets associated with the reserves.

Contribution	Original contribution May 2016	Income from assets used for purposes of the Foundation	Income from assets allocated to free reserves/savings reserve	Withdrawals from reserves used for purposes of the Foundation	Balance at December 31, 2016
	EUR	EUR	EUR	EUR	EUR
Use of the KfW Sinking Fund	6,000,000	0	4,447	300,000	5,700,000

Contribution	Original contribution June 2016	Income from assets used for SPP	Income from assets allocated to free reserves/savings reserve	Withdrawals from reserves used for SPP	Balance at December 31, 2016
	EUR	EUR	EUR	EUR	EUR
Use of the MAVA Sinking Fund	6,600,000	4,836	0	245,164	6,354,836

As of December 31, 2016, the reserves pursuant to Section 62 (3) no. 2 AO thus amounted to EUR 12,054,835.51.

EUR 9,930.07 was allocated for the first time to the savings reserve pursuant to Section 62 no. 4 AO in the reporting year.

Other provisions include outstanding invoices for third party services received in the reporting year, asset management services, custody fees, accounting services and year-end audit costs.

Other liabilities relate fully to Nature Trust Alliance, a civil law partnership, whose partners are PONT and the Caucasus Nature Fund.

As in the prior year, all liabilities are due within one year

Explanatory notes on the income statement

Dividend income is derived from investment securities.

Interest and similar income are attributable to investment securities and a current account.

Distributions from funds result from investment fund shares recognized under investment securities.

Other income from assets relate to income from foreign currency translation.

Expenses for investment resulted from charges for investment advice and custody fees.

Income from grants and subsidies received in the 2016 financial year are from the founder MAVA, Fondation pour la Nature, Gland, Switzerland.

Expenses for support measures/projects relate to direct support measures in the Prespa region.

Expenses for project development and technical services include costs for third party work in the development area.

Administrative expenses include costs for third parties and advisors, personnel expenses for the office shared with another foundation, rent and other office expenses, auditing and external accounting costs, insurance premiums, legal expenses, travel expenses and other operating expenses.

Fundraising and communication costs include costs for creating our website.

Other operating expenses under administrative and other expenses include other social contributions and expenses arising from currency translation.

Other disclosures

Management Board

Chairman

- Niall O'Connor (until January 31, 2016)
Consultant MAVA Foundation, Executive Director, Ireland
- David Morrison (from February 1, 2016 until January 10, 2017)
Executive Director, Berlin
- Maria De Koning (since January 10, 2017)
Executive Director, Veghel, Netherlands

Number of employees

The Foundation had no employees in the 2016 financial year.

Subsequent events

No material events occurred after the close of the financial year.

Offenbach am Main, May 24, 2017

Prespa Ohrid Nature Trust (PONT)

The Management Board

Prespa Ohrid Nature Trust (PONT), Offenbach am Main

Movements in fixed assets in the 2016 financial year

Cost				
	Jan. 1, 2016	Additions	Disposals	Dec. 31, 2016
	EUR	EUR	EUR	EUR
I. Property, plant and equipment				
Other equipment, operating and office equipment	0.00	1,127.16	0.00	1,127.16
II. Financial assets				
Investment securities	0.00	12,201,385.55	0.00	12,201,385.55
	0.00	12,202,512.71	0.00	12,202,512.71

Accumulated amortization, depreciation and write-downs				Book value		
Jan. 1, 2016	Amortization, depreciation and write- downs during the financial year	Disposals	Dec. 31, 2016	Dec. 31, 2016	Dec. 31, 2015	
EUR	EUR	EUR	EUR	EUR	EUR	EUR
0.00	301.16	0.00	301.16	826.00	0.00	
0.00	0.00	0.00	0.00	12,201,385.55	0.00	
0.00	301.16	0.00	301.16	12,202,211.55	0.00	