

**Internationaler Naturerbe Fonds –
Legacy Landscapes Fund
Frankfurt am Main/Germany**

Annual financial statements for the financial year
from January 1 to December 31, 2021

TRANSLATION

– German version prevails –

Remark: This PDF file represents a legally non-binding specimen copy. Legally binding is only the printed and bound report.

Internationaler Naturerbe Fonds - Legacy Landscapes Fund, Frankfurt am Main/Germany
Balance sheet as at December 31, 2021

Assets	Dec. 31, 2021 EUR	Dec. 31, 2020 EUR	Equity and liabilities	Dec. 31, 2021 EUR	Dec. 31, 2020 EUR
A. Fixed assets			A. Equity		
I. Intangible assets			I. Foundation capital		
Trademarks and similar rights	13,336.00	0.00	Initial endowment	8,250,000.00	8,250,000.00
II. Property, plant and equipment			II. Reserves		
Operating and office equipment	5,337.00	0.00	1. Capital reserves	177,937,207.37	78,346,339.35
III. Financial assets			2. Earnings reserves	323,802.05	0.00
Investment securities	55,078,657.95	0.00	III. Funds carried forward	0.00	-43,193.52
	<u>55,097,330.95</u>	<u>0.00</u>		<u>186,511,009.42</u>	<u>86,553,145.83</u>
B. Current assets			B. Provisions		
I. Other assets	12,797,729.59	10,000,000.00	Other provisions	137,102.54	1,600.00
II. Bank balances	118,938,681.15	76,574,745.83	C. Liabilities		
C. Prepaid expenses and deferred charges	750.00	0.00	1. Liabilities from conditionally repayable donations	129,413.06	0.00
			2. Trade payables	695.86	0.00
			3. Other liabilities	56,270.81	20,000.00
				<u>186,379.73</u>	<u>20,000.00</u>
	<u><u>186,834,491.69</u></u>	<u><u>86,574,745.83</u></u>		<u><u>186,834,491.69</u></u>	<u><u>86,574,745.83</u></u>

Internationaler Naturerbe Fonds - Legacy Landscapes Fund, Frankfurt am Main/Germany
Income statement for the financial year from January 1 to December 31, 2021

	2021	2021	Dec. 15, 2020 - Dec. 31, 2020	Dec. 15, 2020 - Dec. 31, 2020
	EUR	EUR	EUR	EUR
1. Revenue				
a) Investment income				
aa) Dividends	175,501.55		0.00	
ab) Interest and similar income	86,110.04		0.00	
ac) Realized capital gains	1,153,004.07		0.00	
ad) Exchange gains	53,623.40		0.00	
		1,468,239.06		0.00
b) Investment expenses		-632,463.18		-2,013.88
c) Foreign currency loss		-511,973.83		-19,578.84
Net investment income		323,802.05		-21,592.72
d) Donations and other income		25,365.85		0.00
Total revenue		349,167.90		-21,592.72
2. Program grants and projects and other expenses				
Program development and management – internal		-108,310.96		0.00
Administrative and other expenses				
a) Administrative expenses	-231,432.04		-21,600.80	
b) Fundraising and communications	-51,561.31		0.00	
		-282,993.35		-21,600.80
Total program and other expenses		-391,304.31		-21,600.80
3. Net loss for the year		-42,136.41		-43,193.52
4. Loss brought forward from prior year		-43,193.52		0.00
5. Transfer from funding capacity reserve		409,131.98		0.00
6. Transfers to earnings reserves				
Transfer to the savings reserve	-323,802.05			
		-323,802.05		0.00
7. Funds carried forward		0.00		-43,193.52

Internationaler Naturerbe Fonds – Legacy Landscapes Fund Frankfurt am Main/Germany

Notes to the financial statements for the financial year 2021

General information and explanations on the annual financial statements

Internationaler Naturerbe Fonds was established as a foundation under civil law by founding act from December 8, 2020. It was recognized by the president of the regional council (*Regierungspräsident*) in Hessen on December 15, 2020. The foundation is registered in the foundation register of the regional council in Darmstadt/Germany.

The financial year generally corresponds to the calendar year. An abridged reporting period was formed for the previous year. The annual financial statements as December 31, 2021 were prepared in accordance with German commercial law and the additional provisions of the charter. The rules of the German Commercial Code for large corporations (Secs. 264 et seq. German Commercial Code (HGB)) were applied, except that no management report was prepared.

The balance sheet and income statement were classified so as to take into account the special features resulting from the foundation's activities. The statement of profit and loss was prepared based on the cost of sales method in accordance with Sec. 275 (3) HGB, taking into account the particularities under foundation law.

Accounting and valuation principles

Unlike the previous year, in the financial year, safekeeping charges for bank balances used for settling administrative expenses were no longer recognized as investment expenses but as administrative expenses. Had the recognition in the previous year been the same as in this financial year, the investment expenses in the previous year would have been EUR 2,013.88 lower and administrative expenses would have been higher by the same amount. Apart from that, the accounting and valuation principles were unchanged compared to the previous year.

Intangible assets, tangible assets and financial assets are valued at acquisition cost in accordance with Section 255 (1) HGB. In the case of intangible assets and property, plant and equipment, amortization and depreciation are measured on the basis of useful lives recognized under tax law and the straight-line method. Financial assets are written down to the lower fair value if their impairment is expected to be permanent. No use is made of the option to write down to the lower fair value if the impairment is not expected to be permanent.

Other assets are valued at acquisition cost or at the lower fair value on the balance sheet date.

Bank balances are shown at their nominal value.

The amounts stated for other provisions include all identifiable risks and contingent obligations. They are measured at the necessary settlement amount according to a reasonable commercial assessment.

Liabilities are shown at the settlement amount.

Transactions in foreign currencies are generally recognized at the exchange rate at the date of transaction. Receivables, bank balances and liabilities in foreign currencies are measured at the exchange rate on the day they arise. The conversion of foreign currency items on the balance sheet date is generally carried out in accordance with the regulations of Section 256a HGB using the mean spot exchange rate on the balance sheet date.

Notes on the balance sheet

The structure and development of fixed assets are shown in the attached summary of fixed assets.

Of the securities held as financial assets with a book value of EUR 55,078,657.95 at the end of the business year, the following securities are reported above their fair values (market values at the balance sheet date):

	Notional amount/Number	Book value	Fair value
		EUR	EUR
Bonds			
Aeroports de Paris ADP EMTN (2030-04-02)	300,000	354,083.00	341,850.00
Amadeus IT Group (2023-09-18)	400,000	408,492.00	405,392.00
Amadeus IT Group (2027-05-20)	500,000	560,048.00	554,970.00
Bayerische Landesbank (2028-02-10)	500,000	498,050.00	490,350.00
Becton Dickinson Euro Finance (2026-06-04)	500,000	524,264.00	517,540.00
BNP Paribas (2027-04-13)	500,000	499,480.00	486,400.00
Chile (2031-07-02)	500,000	508,125.00	500,000.00
Commerzbank EMTN Sr.961 (2027-09-01)	500,000	504,129.00	498,100.00
Covestro (2026-02-03)	500,000	515,421.00	510,100.00
Covivio (2024-10-17)	500,000	526,044.00	521,200.00

	Notional amount/Number	Book value	Fair value
Credit Agricole (2028-04-20)	500,000	502,150.00	493,150.00
Deutsche Bahn Finance FTFN (2025-01-22)	500,000	502,282.60	497,940.00
DH Europe Finance (2027-06-30)	500,000	525,968.00	523,015.00
Elisa (2024-03-17)	200,000	205,486.00	203,520.00
Eurofima Basel (2024-02-09)	400,000	407,989.60	404,336.00
Euronext (2025-04-18)	100,000	103,398.00	102,752.00
Fedex (2029-05-04)	500,000	506,517.00	492,200.00
Goldman Sachs Group EMTN (2028-01-26)	500,000	497,955.00	489,195.00
HeidelbergCement Finance Luxembourg (2027-12-01)	500,000	526,409.00	518,325.00
Infineon Technologies (2025-03-31)	500,000	527,220.00	517,125.00
KFW (2029-06-15)	500,000	507,566.50	501,265.00
Koninklijke MTN Sr.1 (2028-09-11)	300,000	310,660.00	309,381.00
Croatia (2025-03-11)	400,000	446,800.00	438,760.00
Merck (2074-12-12)	400,000	437,600.00	433,860.00
MERLIN (2025-05-26)	250,000	265,302.50	260,575.00
MERLIN Properties EMTN Sr.1 (2023-04-25)	300,000	312,657.00	306,828.00
Nasdaq (2029-03-28)	400,000	432,234.00	427,600.00
Netflix (2027-05-15)	500,000	580,931.00	574,475.00
Portugal (2024-02-15)	350,000	407,638.00	391,650.00
Prosus (2028-08-03)	500,000	513,387.00	504,260.00
RELX Finance (2028-03-10)	600,000	611,373.00	601,140.00
Romania (2024-04-24)	500,000	554,050.00	538,950.00
Romania (2026-12-08)	300,000	322,485.00	314,580.00
SoftBank Group (2023-04-20)	300,000	315,936.00	306,012.00
Stryker (2024-12-03)	500,000	505,045.00	502,460.00
Stryker (2029-03-01)	350,000	356,293.00	353,500.00
Sumitomo Mitsui Financial Group EMTN (2024-10-11)	300,000	310,095.00	307,563.00
Teleperformance (2027-11-26)	500,000	498,991.00	475,450.00
TLG Immobilien (2026-05-28)	500,000	527,211.00	522,125.00
Unibail-Rodamco EMTN (2025-09-15)	300,000	313,434.00	307,560.00
Unibail-Rodamco EMTN (2027-02-27)	600,000	623,223.00	615,000.00
Unibail-Rodamco-Westfield EMTN (2025-04-09)	300,000	325,500.00	310,710.00
Vonovia EMTN Sr.35 Tr.1 (2027-06-16)	600,000	602,176.00	594,126.00
Vonovia Finance EMTN (2023-12-15)	300,000	317,781.00	313,710.00
Vonovia Finance S.11 Tranche 1 (2024-12-06)	200,000	210,430.00	206,120.00
Worldline (2024-09-18)	400,000	403,168.00	402,296.00
		20,215,478.20	19,887,416.00
Shares			
Ascendas Real Estate Investment Trust	63,500	125,416.56	121,024.30
Best Buy Co. Inc.	1,750	171,417.46	156,782.09

	Notional amount/Number	Book value	Fair value
Borgwarner Inc.	7,070	288,952.77	279,556.59
Bouygues S.A.	5,180	186,372.16	162,289.40
BROTHER INDUSTRIES LTD.	10,800	196,586.23	183,062.04
Cembra Money Bank Ltd.	1,250	119,687.99	80,145.21
Euronext N.V.	1,950	176,264.15	175,110.00
Fanuc Ltd.	630	121,014.14	117,749.77
Fuchs Petrolub SE	3,400	146,295.36	135,728.00
JP Morgan Chase & Co.	880	127,464.62	123,036.96
Koninklijke KPN N.V.	31,000	88,337.56	84,909.00
PayPal Holdings Inc.	1,310	279,476.19	221,758.09
Ping An Insurance (Group) Company of China Ltd.	8,800	76,538.95	56,050.91
Schindler Holding Ltd.	600	151,308.91	142,126.59
Stanley Black & Decker Inc.	1,000	173,304.52	164,737.54
Swire Properties Ktd.	37,800	94,505.87	83,134.19
Unibail-Rodamco-Westfield SE	1,050	73,128.45	63,829.50
Visa Inc.	640	127,702.92	123,014.38
Wharf Real Estate Investment Co. Ltd.	43,000	204,446.37	195,319.50
		2,928,221.18	2,669,364.08
Investment funds			
Assenagon Credit SubDebt and CoCo I	1,870	1,798,528.60	1,745,327.10
	1,870	1,798,528.60	1,745,327.10
Direct investments			
Brookfield Infrastr. Debt		1,313,359.39	1,282,886.00
Generation IM Fund		3,694,377.58	3,593,068.12
Cibus Enterprise Fund		930,062.58	893,511.63
Amaron AB		1,079,740.44	1,049,865.18
		7,017,539.99	6,819,330.94
		31,959,767.97	31,121,438.12

As at December 31, 2021, no impairment losses were recognized on these financial assets to the lower market values, as it is assumed that the impairment losses are not permanent. This assumption is justified by the fact that in the past there were only short-term and minor fluctuations in the market values.

Other assets

Other assets include a receivable of EUR 6,483.38 from Nature Trust Alliance GbR, Frankfurt am Main/Germany, of which LLF is a member along with Caucasus Nature Fund (CNF), Prespa Ohrid Nature Trust (PONT) and Blue Action Fund.

The remaining other assets mainly relate to a payment made for a financial investment in the amount of EUR 12,683,076.83, for which financial assets were only acquired shortly after the balance sheet date, and interest receivables. As in the previous year, the other assets are due within one year.

Bank balances in foreign currency

As at the balance sheet date, the Foundation has bank balances in foreign currency amounting to 611,244.38 US dollars (EUR 538,921.64), 21,960.57 Swiss francs (EUR 21,211.47) and 1,227,249.00 Japanese yen (EUR 9,401.47).

Foundation capital

The foundation capital was preserved in full on the reporting date.

Capital reserves

The capital reserves result from funding capacity reserves pursuant to Section 62 (3) No. 2 German Fiscal Code (AO) and amount to EUR 177,937,207.37 as at December 31, 2021.

In the fiscal year, the German Federal Ministry for Economic Cooperation and Development (BMZ), Berlin/Germany, made a contribution of EUR 100,000,000.00 to funding capacity reserves via KfW, Frankfurt am Main/Germany. 8% each of the BMZ grants from 2020 (BMZ I) and from the financial year (BMZ II) may be used for operational expenses of the Foundation.

The composition and development of the funding capacity reserve is shown in the following table:

Grants catalog	Dec. 31, 2020 Balance	2021 Use	Dec. 31, 2021 Balance
	EUR		EUR
BMZ I (grant program)	68,310,000	0	68,310,000
BMZ II (grant program)	0	0	92,000,000
Moore Foundation (grant program)	4,096,339	0	4,096,339
Total grant program	72,406,339	0	164,406,339
BMZ I & II (operational expenses)	5,940,000	409,132	13,530,868
Total funding capacity reserve	78,346,339	409,132	177,937,207

Earnings reserves

The earnings reserves relate to a so-called savings reserve pursuant to Section 62 (4) AO. EUR 323,802.05 was allocated to this reserve for the first time in the financial year.

Provisions

Other accruals include outstanding invoices for investment advisory and asset management services received in the reporting year, custodial fees, accounting services, financial statements costs, and accruals for employee leave not yet taken.

Liabilities

Other liabilities include so-called variation margin payments in the amount of EUR 48,628.04 from unconditional forward transactions open on the reporting date (USD futures), wage tax liabilities (EUR 4,555.55; prior year: EUR 0.00), capital gains tax payable for the financial year, and liabilities to personnel. As in the previous year, all liabilities have a remaining term of up to one year.

Notes on the income statement

Dividends and interest and similar income are derived from securities held as fixed assets.

Exchange gains result from the valuation of bank balances in foreign currencies at the closing rate and the results of closing out forward transactions.

Investment expenses result from investment advisory fees, custodial fees, safekeeping charges, foreign withholding taxes, capital gains taxes and administrative costs of Nature Trust Alliance GbR attributable to the investment.

Foreign currency losses result from closing out results from forward transactions and the valuation of bank balances in foreign currencies at the closing rate.

Donations and other income result from donations from KfW used for the implementation of events and donations from private individuals.

Expenses for program development and management include personnel expenses and travel costs in connection with program activities.

Administrative expenses include (i) LLF's allocated share of personnel expenses, rent and other office expenses of Nature Trust Alliance GbR, (ii) a share of LLF's own personnel expenses, and (iii) external accounting and financial statements costs, rent, insurance, consulting costs, event costs and other operating expenses.

Fundraising and communications expenses include consulting costs, personnel costs, event and public relations costs, amortization of website and trademark rights, and other costs related to fundraising.

Personnel expenses

	2021	2020
	EUR	EUR
Personnel expenses		
Wages and salaries	182,148.54	0.00

Employees were hired for the first time in the fiscal year.

Other disclosures

The liabilities of Nature Trust Alliance GbR, Frankfurt am Main/Germany, in which the Foundation is a personally liable member, total EUR 120,296.47 as at the balance sheet date.

Unconditional forward contracts (futures) were concluded to hedge exchange rate risks for foreign currency balances in US dollars. Corresponding to the market value of the futures, so-called variation margin payments are made on a daily basis. Gains and losses on closed-out futures are recognized in the income statement. Margin payments received or paid for futures not closed out at the balance sheet date are recognized as liabilities or receivables.

Auditor's fee

The auditor's fee recognized as an expense amounts to kEUR 14 (plus VAT) and relates exclusively to audit services.

Other financial obligations

As of the balance sheet date, there are (as yet uncalled) payment obligations for direct investments in the context of the Foundation's investment activities amounting to kEUR 20,452.

Obligations for future program activities taken on so far amount to kEUR 9,000 as at the balance sheet date.

Management Board

Executive Director:

David Morrison, Conservationist; Executive Director and Supervisory Board member in conservation trust funds and public companies; Paris/France (until March 31, 2021)

Stefanie Lang, Executive Member of the Management Board, Berlin/Germany (since April 1, 2021)

Deputy Director:

David Morrison, Conservationist; Executive Director and Supervisory Board member in conservation trust funds and public companies; Paris/France (since April 1, 2021)

Uwe Klug, Sector Economist, KfW, Bad Homburg/Germany (until March 31, 2021)

In analogy to Section 286 (4) HGB, the salary of the managing director or members of the Management Board is not disclosed.

Supervisory Board

Chairwoman:

Birgit Pickel, Head of Sub-Division Global Health; Pandemic Prevention; One Health; BMZ, Bonn/Germany

Deputy Chair:

Dr. Thomas Duve, Head of Southern Africa Division, KfW, Friedberg/Germany

Board member:

Aileen Lee, program director for the Gordon and Betty Moore Foundation's Environmental Protection Program, Palo Alto/California

The Supervisory Board carries out its activities on a voluntary basis.

Number of employees

The Foundation employed an average of two employees in fiscal year 2021.

Significant events after the balance sheet date

The invasion of Ukraine by Russian forces on February 24, 2022 is a key event for the global economy. A general cyclical deterioration and greater macroeconomic changes may have a lasting adverse effect on the value of the financial assets and bank balances held by the Foundation.

The Foundation's Management Board does not see any direct impact on the projects of the Foundation, but is currently not able to fully apprehend and evaluate the effects caused by the Ukraine war. Therefore, the resulting risks cannot be fully assessed either.

After the balance sheet date, obligations of kEUR 27,000 were taken on for future program activities.

Frankfurt am Main/Germany, May 31, 2022

Internationaler Naturerbe Fonds – Legacy Landscapes Fund

The Management Board

Internationaler Naturerbe Fonds - Legacy Landscapes Fund, Frankfurt am Main/Germany
Movements in fixed assets in the financial year 2021

	Acquisition cost				Accumulated amortization/depreciation/write-downs				Book value	Book value
	Jan. 1, 2021 EUR	Additions EUR	Disposals EUR	31 Dec. 2021 EUR	Jan. 1, 2021 EUR	Additions EUR	Disposals EUR	Dec. 31, 2021 EUR	Dec. 31, 2021 EUR	Dec. 31, 2020 EUR
A. Fixed assets										
I. Intangible assets										
Trademarks and similar rights	0.00	15,377.53	0.00	15,377.53	0.00	2,041.53	0.00	2,041.53	13,336.00	0.00
II. Property, plant and equipment										
Operating and office equipment	0.00	7,871.13	0.00	7,871.13	0.00	2,534.13	0.00	2,534.13	5,337.00	0.00
III. Financial assets										
Investment securities	0.00	75,836,109.81	20,757,451.86	55,078,657.95	0.00	0.00	0.00	0.00	55,078,657.95	0.00
Total fixed assets	0.00	75,859,358.47	20,757,451.86	55,101,906.61	0.00	4,575.66	0.00	4,575.66	55,097,330.95	0.00