

**ALPHA QUEST FUNDS SICAV p.l.c.**

**Interim Combined Financial Statements**

**For the period from 01 January 2024 to 30 June 2024**

# ALPHA QUEST FUNDS SICAV p.l.c.

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# ALPHA QUEST FUNDS SICAV p.l.c.

## Directors, Officers and other information

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|------------------------------------|---|
| <b>Directors</b>                   | Dr. Frank Chetcuti Dimech<br>Mr. Joseph Xuereb<br>Mr. Michal Kosac<br>Mr. Ovidiu Fer<br>Prof. Simon Grima   |
| <b>Registered Office</b>           | Quad Central<br>Q3 Level 9<br>Triq L-Esportaturi, Zone 1<br>Central Business District<br>Birkirkara CBD 1040<br>Malta   |
| <b>Company Registration Number</b> | SV 430  |
| <b>Administrator and Registrar</b> | Apex Fund Services (Malta) Limited<br>Quad Central<br>Q3 Level 9<br>Triq L-Esportaturi, Zone 1<br>Central Business District<br>Birkirkara CBD 1040<br>Malta     |
| <b>Company Secretary</b>           | Apex Corporate & Advisory Services Ltd<br>Quad Central<br>Q3 Level 9<br>Triq L-Esportaturi, Zone 1<br>Central Business District<br>Birkirkara CBD 1040<br>Malta |
| <b>Investment Committee</b>        | Mr. Joseph Xuereb<br>Mr. Michal Kosac<br>Mr. Joseph Formosa   |
| <b>Statutory Auditors</b>          | KPMG<br>92<br>Marina Street<br>Pieta PTA 9044<br>Malta  |
| <b>Depository</b>                  | Reyl & Cie (Malta) Ltd.<br>Swiss Urban Factory<br>Office 5, 5, Saint Frederick Street<br>Valletta VLT 1470<br>Malta   |

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES

### **Business activities**

The business strategy of both sub-funds is to invest assets in the Romanian restitution points that are to be converted into either immovable property during auctions or convert into cash in 5 equal yearly payments (20% each year up to the nominal value per point of 1 RON).

The Romanian Government has not made an official statement about auctions as at to-date, since there is a lack of proper cadaster to account for state owned properties and land. This does not affect the performance of the sub-funds since their base case scenario has remained, which is conversion of points into cash.

This has been very successful, since Romania continues to pay its liabilities connected with restitution points ahead of the law mandated 180 days after issuance of payment title.

The Company has cashed in, in the first half of 2024 all the delayed repayments related to 2023 except for Stignei Ileana and Paraschiv Ecaterina, for which the first payment titles were issued in June 2024 and not yet received. The first repayments receipt will be related to 2024.

The Company is investing cash received from Romanian government in Restitution points and money market instruments, mostly in highly rated and liquid corporate bonds.

*Risk factors and uncertainties that could negatively affect issuer's business include but are not limited to:*

- Risk of newly formed company: The Company does not have long enough history to show proven track record.
- Sub-funds being economically separated entities: The assets of other sub-funds cannot be used to satisfy obligations of other sub-funds. Thus only the assets of the sub-fund issuing financial obligation can be used to repay such obligation.
- Payment titles issued by Romanian government: Alpha Quest Balanced Fund's portfolio is invested in obligations issued by the Romanian state. These instruments are not publicly traded thus it is uncertain if they can be sold at a fair price at any time in the market place.
- Market risk: Since most of the assets of Alpha Quest Balanced Fund are invested in Romania which is considered an emerging market.
- Sub-fund's assets not being publicly traded: The Alpha Quest Balanced Funds invests in the Romanian instruments which are not publicly traded. Such instruments are considered risky and speculative in nature.
- Real estate investment risk: Part of the portfolio can be invested in real estate. The Sub-fund runs the risk of price fluctuations in the real estate market as well as liquidity risk associated with real estate investments.
- Pricing of real estate: Once invested in real estate, the sub-funds can potentially run the risk of pricing difficulties connected with real estate investments.
- Interest rates changing risk: Fixed income instruments, which can be bought as an investment by the subfunds, have an inverse relationship with changing interest rates. Unstable interest rates environment could have a negative impact on the fixed income instruments held by the sub-funds.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

*Risk factors and uncertainties that could negatively affect issuer's business include but are not limited to: (continued)*

- Liquidity risk: Real estate is considered as the most illiquid investment or else the average time of converting real estate to cash is the longest. In time of need of liquidity, each sub-fund can find itself in a difficult position since substantial part of its portfolio will be invested in real estate. In addition, since the Romanian obligations are not publicly traded, it might be hard to sell should the Romanian government start defaulting on its obligations.

High leverage risk: Since Alpha Quest Balanced Fund is an issuer of publicly traded bonds, it is exposing itself to enormous amount of risk should its investment strategy produce negative returns.

- Inflationary risk: Rising prices can affect the value of the underlying assets of the portfolio.

- Foreign exchange risk: The functional currency of the Company and its sub-funds is the EUR while most of the assets of the portfolio are denominated in RON and CZK. In case of RON or CZK depreciation, this will have negative effect on the underlying net asset value of the sub-funds.

- Concentration risk: The majority of Alpha Quest Balanced Fund's assets are invested in the Romanian restitution points. This creates a risk for the underlying net assets value should the Romanian government default on its obligations.

- Management compensation: Management have variable compensation based on the performance of the subfunds. This can incentivize them to undertake speculative investments in order to produce extraordinary returns.

- Operating risk: It can be created in the absence of rigorous internal processes.

- Company founded under foreign law: The Company and its sub-funds have been incorporated under the laws of Malta. Maltese law can substantially differ from Czech laws under which the publicly traded bond has been issued.

- Political, economic and social risks: Romania is classified as an emerging and post-socialistic market, which up to this date faced significant political, economic and social risk which could negatively impact the subfunds' performance and their net asset value.

In the 1H 2024 Alpha Quest Balanced Fund reported a net gain of EUR 2,268,553, taking into consideration accruals for all expenses including anticipated bond coupon payment. Alpha Quest Opportunity Fund reported net gain of EUR 878,882 for the same period.

In the 1H 2024, there was no subscription or redemption in Alpha Quest Balanced Fund and Alpha Quest Opportunity Fund.

As at 30 June 2024, total amount of Romanian restitution points held by Alpha Quest Balanced Fund was 350,335,027, while Alpha Quest Opportunity Fund held Nil. Nominal value of one Restitution point is RON 1 (Romanian Leu).

The "market value" of Romanian restitution points ("valuation value" using cost amortization method, since no official secondary market exists) is EUR 53,574,030 for Alpha Quest Balanced Fund and EUR Nil for Alpha Quest Opportunity Fund respectively.

There were no major movements in the scope of strategy and business model of Alpha Quest Funds SICAV plc.

### **Comparison with the corresponding period of the preceding year**

Cashing in process has started in 2017, thus 1H 2017 was the first accounting period during which the company has received actual payment titles for cashing in.

Comparing 1H 2024 and 1H 2023, the company was in line with its objectives. However, some delays are expected on the receipt of payment titles related to 2024, as disclosed in Note 18.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Comparison with the corresponding period of the preceding year (continued)

Total amount of money cashed in from Romanian government as at 1H 2023 was RON 66,902,129 equivalent to EUR 13,360,113 for Alpha Quest Balanced Fund and RON 311,934 equivalent to EUR 17,678 for Alpha Quest Opportunity Fund.

During the period 1H 2024 (as at 30 June 2024), total amount of money cashed in from Romanian government was of RON 84,374,943 equivalent to EUR 16,952,324 for Alpha Quest Balanced Fund.

In terms of NAV, comparing 1H 2024 with 1H 2023, figures are as follows:

The NAV per investor share for Alpha Quest Balanced Fund as at 30 June 2023 was of EUR 2,280.4760, compared to EUR 2,769.5924 as at 30 June 2024.

The NAV per investor share for Alpha Quest Opportunity Fund as at 30 June 2023 was of EUR 1,532.1911, compared to EUR 1,942.0756 as at 30 June 2024.

Idle cash was invested during both periods in money market instruments to achieve high liquidity and safety.

Portfolio composition as at 30 June 2024:

|                              |                |
|------------------------------|----------------|
| Alpha Quest Balanced Fund    |                |
| Romanian restitution points: | EUR 53,574,030 |
| Bank Overdraft (Net):        | EUR (977,401)  |
| Bonds:                       | EUR 7,802,660  |
| Equity:                      | EUR 3,164,437  |
| Forward Contract             | EUR 911,424    |

Alpha Quest Opportunity Fund

|                       |                 |
|-----------------------|-----------------|
| Bank Overdraft (Net): | EUR (5,522,311) |
| Bonds:                | EUR 16,306,191  |
| Equity:               | EUR 4,168,689   |

Besides points investments, cash received and not placed into points purchases, is deployed to purchases of highly graded and highly liquid Czech issued corporate bonds.

Alpha Quest Balanced Fund as at 30 June 2024, owned a total of three bonds being: (i) Eurovea AS, (ii) Eurovea Byty AS and (iii) J&T Energy Financing Euro II AS.

Alpha Quest Opportunity Fund as at 30 June 2024, owned a total of four bonds being: (i) 3M Fund MSI, (ii) Nupeh CZ SRO, (iii) Savarin PLC and (iv) Eurovea Byty AS.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Information about the Issuer

The name of the Company is Alpha Quest Funds SICAV p.l.c. (the “Company”).

The registered office of the Company is situated at Quad Central, Q3 Level 9, Triq L-Esportaturi, Zone1, Central Business District, Birkirkara CBD 1040, Malta.

The Company was incorporated on 28 November 2016. The Company is organised as a multi-fund limited liability investment company with variable share capital under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority (MFSA) with Licence Number SV 430 under the Investment Services Act (Chapter 370 of the Laws of Malta) as an Alternative Investment Fund which targets Professional Investors. However, until 19 July 2023, the Company was licensed as a Professional Investor Fund which targeted Qualifying Investors.

The company has been converted into a self managed Alternative Investment Fund on 19 July 2023 when the Malta Financial Services Authority (MFSA) issued the license.

The Company may establish a number of Sub-funds. Currently the Company has established two Sub-funds: the Alpha Quest Balanced Fund and the Alpha Quest Opportunity Fund. Pursuant to Legal Notice 241 of 2006, the assets and liabilities of each individual Fund comprised in the Company shall constitute a patrimony separate from that of each other Sub-fund of the Company so that the assets of one Sub-fund shall be available exclusively for the creditors and holders of Shares in that Sub-fund.

LEI code: 213800JHGGP7KI184U67

The Company is not part of any group and, therefore, is not dependent upon any entities.

### Principal activity and investments

The Company is an investment company with variable share capital, the sole object of which is the collective investment of its funds in securities and other movable or immovable property, or in any of them, with the aim of spreading investment risks and giving Members the benefits of the results of the management of its funds.

The investment objective of both Sub-funds is to achieve capital appreciation primarily through investments in restitution points representing entitlement to immovable property located in Romania with the purpose of redeeming the points so acquired into cash or re-selling the immovable property so acquired. Such investments are derived from indemnification decisions issued by the Romanian Government – National Authority for Property Restitution (“ANRP”) regarding the measures for the completion of the restitution process, in kind or in equivalent, of the properties unlawfully seized during the Romanian communist regime, as subsequently amended. The Romanian law provides that where restitution in kind to the former owners is not possible, the restitution request is settled by granting compensation in the form of points (hereinafter “Points”), with each point having a value of one Romanian Leu (RON 1). Starting from 1 January 2017, persons obtaining such points may use them in order to acquire immovable property from a National Fund by public auction or, for a period of five (5) years, to redeem them into cash up to a maximum of 20% of the nominal value of Points per annum. There is no time-limit for utilizing Points to acquire immovable property by public auction. The Points will be acquired on the secondary market from existing owners through a notarial deed executed and registered in Romania. If Points are redeemed at public auctions, the Sub-fund will not enter into any co-ownership deal and will only acquire individual properties in their entirety. No Points will be acquired from any of the members of the Investment Committee and/ or any related parties to the Company.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Principal activity and investments (continued)

The Sub-funds may also invest in government and corporate bonds in developed markets. The Sub-funds may also enter into agreements with third party banks that desire to issue fixed income products linked to the Sub-fund's underlying assets and issue fixed income securities. The Sub-fund may from time to time invest unutilized cash in bonds and currency swaps. Such investments may be with various entities in various markets or industries and in different geographical locations, without limitation. Depending on market conditions, the Sub-fund may also from time to time invest in cash or money market instruments for liquidity purposes.

The Sub-funds are also exposed to market, credit and liquidity risks. Further information are disclosed in the notes to the financial statements.

Alpha Quest Balanced Fund issued a subordinated unsecured yield bond with maturity date on 15.12.2025 with a yield of 5% p.a., ISN SK4000018206 (the "Bond"). Bonds represent debt obligations issued in the Euro and traded at the Bratislava Stock Exchange. Issued Bonds as at 30 June 2024 amounted to EUR 40 million (2023: EUR 40 million).

During 2022, Alpha Quest Balanced Fund issued a subordinated unsecured yield bond with maturity date on 22.06.2026 with a yield of 5.25% p.a., ISN CZ0000001375, issued in CZK and traded in Czech Republic at the Prague Stock Exchange. As at 30 June 2024, issued bonds amounted to CZK 200 million (2023: CZK 200 million).

The issuer's website is [www.aqbond.com](http://www.aqbond.com).

As at 30 June 2024 and 31 December 2023, neither the Bond, nor the sub-Fund had a credit rating.



# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Functionaries and Officials as at 30 June 2024

*Organizational chart*



# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Functionaries and Officials as at 30 June 2024 (continued)

#### *Directors*

The affairs of the Company are managed by a Board of Directors. The judicial and legal representation of the Company shall be vested in any two directors acting jointly. As at 30 June 2024, the Company's Board of Directors is composed of five Directors approved by the MFSA and appointed by the holders of Founder Shares upon incorporation of the Company. Each Director shall have one vote. The Board of Directors was at 30 June 2024 composed of the following:

#### Frank Chetcuti Dimech

Dr. Frank Chetcuti Dimech co-founded CDF Advocates in Malta in 1993. He practices financial services, company, taxation and international law. He holds a Doctorate of Laws and a Masters in Financial Services from the University of Malta and an International Investment Advice Certificate from the Securities and Investment Institute, London.

#### Joseph Xuereb

Mr. Joseph Xuereb ACIB, IFS Associate is a Maltese national and a Banker by profession. He joined the Central Bank of Malta in 1979 occupying various roles at the dealing and investment department. In 1995 he joined APS Bank as Senior Manager Treasury Unit where he was responsible for all currency dealing, all investment portfolios and asset liability management. In 2000 he was appointed Head of the Asset Management of the Bank, responsible for the Treasury Unit, the Investment Services Unit and the Portfolio Management Unit. He was also a member of investment committees outside the banking sector, including insurance and airline companies. He currently sits on the investment committees of other Maltese funds.

#### Michal Kosac

Mr. Michal Kosac is working as a partner at Astone finance, s.r.o., a financial boutique regulated by the Czech National Bank. His primary responsibility lies in creating investment strategies for the company's clients. Michal started his career at Merrill Lynch in New London and Boston where he worked as an analyst in a private wealth management team. He then continued his career at WOOD & Company s.a. in Prague where he was responsible for the initial set up of the WOOD & Company Funds SICAV plc (an MFSA regulated entity) as well as administering its sub-funds and later co-managing the WOOD & Company Central & Eastern European Equity Fund as well as the WOOD Textiles Fund. He is also a member of the Investment Committee of IJC Funds SICAV plc which is regulated by the MFSA. Michal received his degree with honors from Connecticut College, Connecticut, United States.

#### Ovidiu Fer

Mr Fer is an investment professional with almost 20 years of experience in the European Emerging markets. Following a career on the sell side, most notably at WOOD & Company in Prague, Mr Fer has several advisory roles (most relevant with GapMinder- Romania's most prolific Venture Capital Fund) as well as board positions (currently an independent director at Medlife- Romania's largest private healthcare group). His education includes a BA from ASE, Romania and MBA from INSEAD.

#### Simon Grima

Prof Simon Grima is currently an associate professor at the University of Malta faculty of Banking and Finance. He started his professional career with Bank of Valletta where he spent 15 years working at the Financial Markets and Internal Audit units. Prof. Grima's qualifications include B.Com Management and Banking and Finance (UOM), B.Com (Hons) Banking and Finance (UOM), MSc Financial Management (London), MSc Audit Management and Consultancy (Birmingham City University) and a PhD (UOM). He is also a Fellow of the Institute of Financial Accountants and the Institute of Professional Financial Management.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Functionaries and Officials as at 30 June 2024 (continued)

#### *Investment Committee*

The Board of Directors of the Company shall appoint an Investment Committee for each Fund. The Investment Committee consists of three members, who are individuals. The Investment Committee of Company shall meet at least four times a year with the majority of meetings to be held in Malta, and shall be responsible for the day-to-day management of the Sub-funds, including amongst others the following:

- to monitor and review the investment policy and performance of a Sub-fund;
- to establish and review guidelines for investment by a Sub-fund;
- to issue rules for financial instrument selection and set the portfolio structure and asset allocation;
- to make recommendations to the Board of Directors.

The Investment Committee shall report to the Board of Directors on its activities and the performance of a Sub-fund at least four times a year. The Investment Committee is conducting the day-to-day management of the assets of the sub-Funds and ensure that the assets of the sub-Funds are managed within the investment objectives, policies and restrictions of that sub-Fund. The Board of Directors may from time to time appoint advisers to the Investment Committee. Such advisers shall only provide guidance to the Investment Committee on the availability of assets and their relative prices and all investment decisions shall be undertaken solely by the Investment Committee.

Investment Committee was as at 30 June 2024 composed of the following voting members:

Joseph Xuereb  
Joseph Formosa  
Michal Kosac

#### Joseph Formosa

Mr Formosa has occupied a number of executive and managerial positions at Bank of Valletta p.l.c., Malta and for the last three years of his career with the bank occupied the post of Chief Officer, where he made a significant contribution to the growth and development of the Bank particularly in relation to its mortgage related business. Mr Formosa was also Chairman of the Banks' Card Services Ltd. This company was responsible for all of the Bank's credit card business. Mr Formosa has held the position of General Manager of Lohombus Bank Ltd, and currently sits on the boards of some local and international companies related to financial and real estate business.

#### *Annual general meeting*

Apart from the appointment or removal of the Directors at the Company's annual general meeting in accordance with the Company's Articles, the Founder Shareholders may also at any time appoint or remove any Director or Directors at an extraordinary general meeting provided that the number of Directors always complies with the requirements prescribed in the Company's Memorandum. A Director need not be a Member.

#### *The Administrator*

Apex Fund Services (Malta) Limited has been appointed by the Company as Administrator to the Company and its Sub-funds in 2018, pursuant to an administration agreement ("The Administration Agreement"), to perform certain administrative functions in relation to the Company and the Sub-funds, including inter alia the calculation of the Net Asset Value, accounting services and transfer agency services. The Administrator may, subject to the written approval of the Company, sub-contract parts of its services to third parties.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Functionaries and Officials as at 30 June 2024 (continued)

#### *The Depositary*

Reyl & Cie (Malta) Ltd is subject to the regulatory surveillance of the MFSA and holds a Category 4a Investment Services license granted by the MFSA. The office of Reyl & Cie (Malta) Ltd is located at Swiss Urban Factory, Office 5, 5, Saint Frederick Street, Valletta VLT 1470 Malta. Reyl & Cie (Malta) Ltd forms part of Reyl Group, a Swiss bank founded on family values, which has been building and preserving its clients assets for more than forty (40) years. The Depositary provides custodial and safe-keeping and ancillary services to various other licensed funds and entities.

#### *Conflicts of Interest*

The officers of the Company have disclosed the following:

1. Mr Joseph Xuereb is a Director of the Company, a member of the Investment Committee and also the holder of 100% of the Founder Shares of the Company;
2. Dr Frank Chetcuti Dimech is a Director of the Company as well as its legal advisor as to Maltese law. He is also a director of Astone Group Ltd and Fraternity Capital Limited, both of which are ultimately owned by Mr Michal Kosac;
3. Mr. Michal Kosac who is the Director of the Company is also Director in Fraternity Capital Limited, Fraternity Funds SICAV plc and in Astone Group Ltd, and holds half of the "A" class shares in the Company through his majority ownership in Fraternity Capital Limited. He is also the majority shareholder of Fraternity Capital Limited as well as holds the majority of the founder shares in Fraternity Funds SICAV plc. He also fully owns Astone Group Ltd; and
4. Mr. Ovidiu Fer is a Director of the Company and holds half of the "A" class shares in the Company.

### Designations, Powers and Rights of Shares

#### *The Founder Shares*

The Founder Shares shall rank equally in all respects, shall carry the right to one vote each, and save as provided in Article 26.1 of the Articles of Association, shall not carry a right to participate in any dividends or other distributions of the Company or in the assets of the Company on a winding up (other than the return of the paid up capital after payment of all amounts due to the Investor Shares).

#### *The "A" Ordinary Shares*

The Company shall also have a separate class of shares with no nominal value, made up of one hundred (100) "A" Ordinary Shares but which shall not constitute a distinct fund, shall rank equally in all respects, shall not carry the right to vote, and, save as provided in Article 26.1 of the Articles of Association, shall not carry a right to participate in any dividends or other distributions of the Company, if applicable, or in the assets of the Company on a winding up, except repayment of paid up capital following settlement of any and all amounts due to the Investor Shares and Founder Shares. The Board of Directors is authorised for a period of five (5) years, to issue and allot "A" Ordinary Shares up to the maximum amount specified in this paragraph.

#### *The "V" Ordinary Shares*

The Company shall have a separate class of shares with no nominal value, made up of ten (10) "V" Ordinary Shares but which shall not constitute a distinct fund, shall rank equally in all respects, shall not carry the right to vote, and, save as provided in Article 26.1 of the Articles of Association, shall not carry a right to participate in any dividends or other distributions of the Company, if applicable, or in the assets of the Company on a winding up, except repayment of paid up capital following settlement of any and all amounts due to the Investor Shares and Founder Shares.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### Designations, Powers and Rights of Shares (continued)

#### *The "V" Ordinary Shares (continued)*

The Board of Directors is authorised for a period of five (5) years, to issue and allot "V" Ordinary Shares up to the maximum amount specified in this paragraph.

#### *The "P" Ordinary Shares*

The Company shall have a separate class of shares with no nominal value, made up of ten (10) "P" Ordinary Shares but which shall not constitute a distinct fund, shall rank equally in all respects, shall not carry the right to vote, and, save as provided in Article 26.1 of the Articles of Association, shall not carry a right to participate in any dividends or other distributions of the Company, if applicable, or in the assets of the Company on a winding up, except repayment of paid up capital following settlement of any and all amounts due to the Investor Shares and Founder Shares.

The Board of Directors is authorised for a period of five (5) years, to issue and allot "P" Ordinary Shares up to the maximum amount specified in this paragraph.

#### *Article 26.1 of Articles of Association*

The Directors may, as they from time to time think fit, and subject to the applicable laws, declare and pay such interim or final dividends in such currency as the Directors may deem appropriate, subject to the observance of any applicable law, on Founder Shares, "A" Ordinary Shares, "V" Ordinary Shares, "P" Ordinary Shares and Investor Shares of a Sub-Fund as appears to the Directors to be justified, subject to any policy statement in relation to dividends in the Offering Supplement of a Sub-Fund: provided that when dividends are not paid on Investor Shares, income will be accrued within the Net Asset Value of the relative Sub-Fund and provided further that distributions on "A" Ordinary Shares, "V" Ordinary Shares, "P" Ordinary Shares and Founder Shares, if any, shall be calculated in a manner that the total amount of distributions on "A" Ordinary Shares, "V" Ordinary Shares, "P" Ordinary Shares and Founder Shares shall be an amount not exceeding the aggregate of the Management Fee and the Performance Fee due under the terms of the Offering Supplement of a Sub-Fund, which amount shall in no way be restricted to the amount of income received or receivable by the Company (from investments made by the Sub-Funds) during the relevant Accounting Period.

#### *The Investor Shares (Redeemable Shares)*

The Investor Shares do not carry any voting rights. The Investor Shares rank pari passu among themselves in all respects. The Investor Shares participate in the assets of the Company and in any dividends, and distributions of the Sub-funds upon liquidation. The Investor Shares may be redeemed at the option of the holders thereof according to the Articles of Association annexed hereto and in accordance with any terms and conditions pursuant to which the Investor Shares are issued.

#### *Classes*

With the prior approval of the MFSA, the Directors may from time to time establish a sub-Fund by the issue of separate classes of Shares of the Company on such terms as the Directors may resolve. Apart from Investor shares, the Company has issued by way of subscription:

- 1,000 Founder Shares which are fully paid up and subscribed by Joseph Xuereb;
- 50 "A" Ordinary Shares which are fully paid up and subscribed by Ovidiu Fer; and
- 50 "A" Ordinary Shares which are fully paid up and subscribed by Fraternity Capital Limited.

#### *Description of the decision making procedures of the statutory body*

Directors and Investment Committee members meet at least 4 times per year in addition to periodic phone calls. All investment decisions are thoroughly discussed and 2/3 of the votes are required to pass any decision. In order to evaluate an investment, a term sheet is prepared which is further discussed from the stand point of viability of fitness within the overall portfolio strategy. Upon diligent discussion, a vote is undertaken and an investment decision is made.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Designations, Powers and Rights of Shares (continued)**

As per the Company's Memorandum and Articles of Association sections 15 to 17, decision making is as follows:

#### 15.1 General Meetings

15.1 All general meetings of the Members in the Company enjoying a right to vote shall be held in Malta, or at such other place as the Directors may determine for any specific general meeting.

15.2 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year. Not more than fifteen (15) months shall elapse between the date of one annual general meeting of the Company and that of the next provided that so long as the Company holds its first annual general meeting within eighteen (18) months of its incorporation it need not hold it in the year of its incorporation. Subsequent annual general meetings shall be held once in each year and not more than six (6) months after the end of the Accounting Period of the Company as determined by the Directors from time to time at such time and place in Malta as may be determined by the Directors.

15.3 All general meetings (other than annual general meetings) shall be called extraordinary general meetings.

15.4 The Directors may call an extraordinary general meeting whenever they think fit and extraordinary general meetings shall be convened on such requisition, or in default may be convened by such requisitions, and in such manner as provided by the Act.

#### 16. Notice of General Meetings

16.1 At least fourteen (14) Clear Days' notice specifying the place, the day and the time of the meeting, and in the case of special business the general nature of such business (and in the case of an extraordinary general meeting specifying the meeting as such) shall be given in the manner hereinafter mentioned to the Founder Shareholders being the holders of shares entitled to attend and vote.

16.2 The Directors and the Auditors shall also be entitled to receive notice of, and attend and speak at, any general meeting of the Company.

16.3 Every notice convening a meeting to pass an Extraordinary Resolution shall specify the intention to propose the Resolution, and in each notice calling a meeting of the Founder Shareholders, being the members entitled to attend and vote, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Member.

16.4 The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice shall not invalidate the proceedings at any general meeting.

16.5 The fourteen (14) day notice requirement may be waived if the Founder Shareholders holding not less than a majority of the total number of Founder Shares entitled to vote on all matters to be considered at the meeting have waived notice of the meeting or have agreed to a shorter notice period for the meeting.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Designations, Powers and Rights of Shares (continued)**

*Description of the decision making procedures of the statutory body (continued)*

#### 17. Proceedings at General Meetings

17.1 All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting, with the exception of: a. the consideration of the accounts and Statement of Financial Position; b. the reports of the Directors and Auditors, c. the election of Directors in the place of those retiring or resigning or being removed and the fixing of their remuneration, d. the appointment of the Auditors and the fixing of the remuneration of the Auditors (directly or in such manner as the general meeting may determine); provided that the appointment of a new Director shall also require the approval of the MFSA.

17.2 Subject to Article 17.3 hereof, no business shall be transacted at any general meeting unless a quorum is present. Two (2) Members, having the right to vote, present either in person or by proxy, shall be a quorum for a general meeting. A representative of a corporation or company authorised pursuant to Article 18.14 to be present at any meeting of the Company shall be deemed to be a Member for the purpose of the constitution of a quorum.

17.3 If within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, howsoever convened, shall proceed with such Members entitled to attend and vote as are present and they shall constitute a quorum even if there is only one member.

17.4 A Director nominated by the Directors shall preside as chairman at every general meeting of the Company, but if at any meeting none of the Directors be present within fifteen (15) minutes after the time appointed for holding the meeting, or if all the Directors present decline to take the chair, the Founder Shareholders shall choose some Member present to be chairman of the meeting.

17.5 The chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen (14) days or more, another fourteen (14) days Clear Notice at the least specifying the place, the day and the hour of the adjourned meeting, shall be given as in the case of the original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting or to attach thereto any documents already sent with a prior notice. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

17.6 At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the chairman or by any Members present representing at least one-tenth in number or value of the shares in issue having the right to vote at the meeting. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution; provided that where a resolution requires a particular majority in value, the resolution shall not be deemed to have been carried on a show of hands by the required majority unless there be present at the meeting, whether in person or by proxy, a number of Members holding in the aggregate the required majority as aforesaid.

17.7 If a poll is duly demanded, it shall be taken in such manner and at such time and place as the chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

17.8 The chairman may, in the event of a poll, appoint scrutineers (who need not be Members) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Designations, Powers and Rights of Shares (continued)**

*Description of the decision making procedures of the statutory body (continued)*

#### 17. Proceedings at General Meetings (continued)

17.9 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

17.10 A poll demanded on the election of a chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.

17.11 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

17.12 A demand for a poll may be withdrawn and no notice need be given of a poll not taken immediately.

### **Principles of remuneration**

#### *Remuneration of Directors*

The Directors of the Company shall receive for their services such remuneration as may be determined by the Company in a General Meeting from time to time or, in relation to a particular Sub-fund, as specified in a Supplement. Each Director's remuneration shall in no case exceed € 10,000 per annum. In addition, each Director may be paid reasonable travelling, hotel and other incidental expenses incurred in attending meetings of the Directors and general meetings of the Company. The amount paid from the assets of each sub-Fund shall be proportionate to the Net Asset Value of each sub-Fund when compared to the net asset value of the Company.

#### *Remuneration of Investment Committee members*

The members of the Investment Committee shall receive for their services such remuneration as may be determined by the Directors from time to time. The fee will be paid by the sub-funds. In addition, each Investment Committee member may be paid reasonable travelling, hotel and other incidental expenses incurred in attending meetings of the Investment Committee. The amount paid from the assets of each sub-Fund shall be proportionate to the Net Asset Value of each sub-Fund when compared to the net asset value of the Company.

#### *Remuneration of Founder Shareholders*

Founder Shareholders shall not be entitled to any remuneration but may be paid reasonable travelling, accommodation and other incidental expenses incurred in attending general meetings of the Company.

#### *Monetary and non-monetary benefits received by Directors and Investment Committee Members for the year*

Total monetary income of Directors of the Company for the period ended 30 June 2024 amounted to EUR 16,870 (2023: EUR 10,720). Out of total monetary income, all five directors received EUR 10,620 (2023: EUR 4,720) and all three Investment Committee Members received EUR 6,250 (2023: EUR 6,000).

Neither the Directors nor the Investment Committee Members received any non-monetary income.



# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Corporate governance and the Code**

The Issuer has not voluntarily adopted the Corporate Governance Code prepared in 2018 by Czech Institute of Directors together with Deloitte and issued in 2019. This Code is available on the website of Czech Ministry of Finance [www.mfcr.cz](http://www.mfcr.cz).

However, the Issuer's Corporate Governance is organized in accordance with the principles outlined in this document, as defined in the internal policies and statutes of the Issuer. In addition to its own policies, the corporate governance is fully in line with applicable law.

The above mentioned code has not been voluntarily adopted because in addition to the simple shareholder structure, the Issuer considers the existing policies of the corporate governance fully adequate and functional.

### **Information about internal control principles and strategies and the rules for the treatment of risks**

The Board of Directors is responsible for implementing adequate administrative and accounting procedures for the preparation of the financial statements. The Board of Directors has responsibility for the planning, management and monitoring of those processes relating, in particular, to management and accounting information flows (including the automated data processing and accounting reporting systems) and for attesting to their adequacy and effective application, as defined by the relevant laws and regulations. The Company also established a position of a compliance officer ensuring the Company complies with its outside regulatory requirements and internal policies.

The Board of Directors identifies and assesses the risks on financial information, identifies and carries out the appropriate controls, targeted at mitigating the possibility that such risks will occur, and monitors and assesses the efficiency of the controls in relation to the financial information process. The Administrator calculates the Net Asset Value ("NAV") of the Sub-funds as at the date of the statement of financial position or at the settlement date of new investors and prepares draft financial statements. NAV calculation and financial statements are approved by the Board of Directors.

Investment committee approves each new investment (at least 2 members of the Investment committee shall approve it), evaluates the performance of the investment in Sub-funds and reports to the Board of Directors on its activities and the performance of each Sub-fund at least four times a year.

### **Risk factors and uncertainties that could negatively affect issuer's business include but are not limited to:**

- Risk of newly formed company: The Company does not have long enough history to show proven track record.
- Sub-funds being economically separated entities: The assets of other sub-funds cannot be used to satisfy obligations of other sub-funds. Thus, only the assets of the sub-fund issuing financial obligation can be used to repay such obligation.
- Payment titles issued by Romanian government: The major part of the sub-fund's portfolio is invested in obligations issued by the Romanian state. This instrument is not publicly traded thus it is uncertain if it can be sold at a fair price at any time in the market place. The Fund's investments in the points awarded under indemnification decisions issued by the Romanian Government need to be sourced from individual beneficiaries of such points and acquired through public deeds registered in Romania. There is no guarantee that the sub-Fund will manage to source such points, or a particular number of points. The sub-Fund may also be exposed to changes in the Romanian Government's interpretation of the points system and/or to changes in the applicable laws.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Risk factors and uncertainties that could negatively affect issuer's business include but are not limited to: (continued)**

- Specific risks when investing in Romania: Although Romania is a full member of the European Union, it is still susceptible to a shaky political and economic outlook and a relatively volatile business environment in which corporate financial information is sometimes neither readily available nor sufficiently reliable. Following the collapse of communist rule in 1989, Romania has undergone a long period of economic transition to a market economy, which has not been smooth. Since 2000, there has been more progress. An extensive programme of economic reforms included the privatisation of several state-owned enterprises and the restructuring of Romania's energy, mining and industrial sector. Externally, a slowdown in global trade may have a high impact on Romania's growth, mainly due to its reliance on other EU economies as trading partners. Geopolitical tensions, combined with the increase in the US Federal Reserve's key-interest rate could lead to increased investor caution, capital outflows and depreciation of the local currency (RON).
- Market risk: Most of the assets of the sub-funds are invested in Romania which is considered an emerging market.
- Sub-fund's assets not being publicly traded: The Sub-funds invest in the Romanian instruments which are not publicly traded. Such instruments are considered risky and speculative in nature.
- Interest rates changing risk: Fixed income instruments, which can be bought as an investment by the sub-funds, have an inverse relationship with changing interest rates. Unstable interest rates environment could have a negative impact on the fixed income instruments held by the sub-funds. If the level of market interest rates rises, the prices of interest-bearing securities in the Fund's portfolio can fall substantially. This is even more the case, if the Fund holds interest-bearing securities having a longer residual term to maturity with normal return/yield.
- Liquidity risk: Since the Romanian obligations are not publicly traded, it might be hard to sell should the Romanian government start defaulting on its obligations.
- High leverage risk: Since Alpha Quest Balanced Fund is an issuer of publicly traded bonds, it is exposing itself to enormous amount of risk should its investment strategy produce negative returns.
- Inflationary risk: Rising prices can affect the value of the underlying assets of the portfolio.
- Foreign exchange risk: The functional currency of the Company and its sub-funds is the EUR while the assets of the portfolio are denominated mainly in RON. Where the Fund holds assets denominated in foreign currency or currencies, it is exposed to a direct currency risk (provided the foreign currency positions have not been hedged). In case of RON depreciation, this will have negative effect on the underlying net asset value of the sub-funds. Conversely, the foreign exchange market also offers opportunities for gains. Besides direct risks, indirect currency risks also exist. Internationally active companies are more or less strongly dependent on the exchange rate development, which can have an indirect influence on the price development of investments.
- Concentration risk: The majority of the fund's assets is invested in the Romanian restitution points. This creates a risk for the underlying net assets value should the Romanian government default on its obligations.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Risk factors and uncertainties that could negatively affect issuer's business include but are not limited to: (continued)**

- Management compensation: Management have variable compensation based on the performance of the sub-funds. This can incentivize them to undertake speculative investments in order to produce extraordinary returns.
- Operating risk: It can be created in the absence of rigorous internal processes.
- Company founded under different law: The Company and its sub-funds have been incorporated under the laws of Malta. Maltese law can substantially differ from Czech laws and Slovak laws under which the publicly traded bonds of one of the sub-funds have been issued.
- Political, economic and social risks: Romania is classified as an emerging and post-socialist market, which up to this date faced significant political, economic and social risk which could negatively impact the sub-funds' performance and their net asset value.

### **Key Figures of the Company for the period**

During the first half of year 2024, the Company reported a profit of EUR 6,022,660.

Since the Fund has recently switched from Professional investor fund (PIF) to an AIF (Alternative investments fund) - fund with assets over EUR 100 million, as per Maltese Financial Services Authority's requirement, the company needs to keep retained earnings of EUR 300,000 at all times. These funds are kept at the company's account, not being distributed.

The requirement of EUR 300,000 which was retained from the 2022 profit remained in the retained earnings accounts.

The 2024 profit attributable to A, P and V class shareholders of the fund, has been distributed based on the Board of Directors resolution.

During the period under review, the directors declared an interim dividend of EUR 2,253,246 to the holders of 'A' Class shares and EUR 328,700 to the holders of 'V' Class shares. Dividends amounting to EUR 1,383,719 and EUR 120,700 were paid in May 2024 to 'A' Class Shareholders and 'V' Class Shareholders, respectively.

Investors hold investment shares of the respective sub-fund. In case of profit the value of investment share increases, in case of loss the value of investment share decreases. Investors do not receive dividends of any kind of distribution.

They can decide to redeem shares, sell the shares back to the fund, and extract the profits/losses.

Funds are subject to two types of fees:

#### *Investment Management Fee*

Each Fund will be subject to an Investment Management Fee payable to the Company as described in the relevant Offering Supplement. The payment of the Investment Management Fee from the assets of the Fund to the Company is due to the fact that the Company is set-up as a self-managed scheme and therefore the Company itself is responsible for the investment management function.

# ALPHA QUEST FUNDS SICAV p.l.c.

## *Performance Fee*

The Performance Fee in respect of a Fund will be payable to the Company as described in the relevant Offering Supplement. The payment of the Performance Fee from the assets of the Fund to the Company is due to the fact that the Company is set-up as a self-managed scheme and therefore the Company itself is responsible for the investment management function.

The company, Alpha Quest Funds SICAV p.l.c. may distribute the earnings to A, P and V class shareholders as described in the Offering Supplement of each sub-fund, namely Alpha Quest Opportunity and Balanced Funds.

Sub-funds are operated as a self-managed scheme, through Investment Committee, with discretionary mandate. Should there be a loss, Investment Committee is not liable for loss settlement.

Details about profit before tax for the year can be found in the Statement of Comprehensive Income in the financial statements which forms part of Annual Report. The result corresponds to the expectation and reward attributed to the sub-Fund for the issue of the bonds.

Information about the Company's total assets and financial situation as at 30 June 2024 can be found in the Statement of Financial Position in the financial statements which form part of the Annual Report.

## *Evaluation of the business environment during the period*

Both sub-Funds performed in line with Investment Committees' expectations. The sub-Funds gained by investing free liquidity in corporate bonds and overnight deposits.

## **Expected economic situation in next year**

In 2024, the Company expects a very similar scenario compared to prior year.

## **Remuneration charged by auditors over the accounting period**

The statutory auditor's remuneration (including VAT) for the period amounted to EUR 30,854 (2023: EUR 31,344) and the balance outstanding as at 30 June 2024 amount to EUR 29,722 (2023: EUR 31,344). Other non-audit services provided by the auditors during the period comprised of tax and reporting services amounting to EUR 826 and EUR 1,623, respectively (2023: EUR 826 for tax services) (including VAT).

## **Legal and arbitration proceedings**

The Company is not a party to any litigation or arbitration proceedings.

## **Major contracts and agreements executed on behalf of the Company during the period**

Alpha Quest Funds SICAV p.l.c. and its sub-funds, namely Alpha Quest Balanced Fund and Alpha Quest Opportunity Fund, have not entered into any major contract that would affect its regular course of business or pose any risk to its business objective.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

### **Issuer's subsidiaries and branches**

The Company did not have an organizational unit located abroad in 2024.

### **Acquisition of own shares (treasury shares)**

During the year, no acquisition of own shares (treasury shares) occurred.

### **Expenses incurred in connection with research and development**

The Company did not incur any research and development expenditure during the year.

### **Investment in tangible and intangible fixed assets**

The Company did not make any significant investments in tangible and intangible fixed assets during the year.

### **Environmental and labor relations activities**

The Company complies with all legal requirements in the field of environmental protection and complies with applicable legislation in the field of labor relations.

### **True and fair view statement**

The Board of Directors of Alpha Quest Funds SICAV p.l.c. declares that the Annual Report which includes the financial statements, provide a true and fair view of the financial position, business activities and results of the Company for the past accounting year and to the best of its knowledge, all the information and data in the Annual Report correspond to the prospects for future financial and business performance and no significant circumstances have been omitted.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 1 a) and f) of the law 431/2002 of The Accounting Act as amended, complete the information about:

- Development of the accounting entity and the state it is in; the information is provided in the form of balanced and comprehensive condition analysis and prognosis of development and contains significant financial and non-financial indicators including information about the impact of the accounting entity's activity on environment and employment, with a reference to the relevant data in financial statements (also specifying the average number of employees in 2020)

Accounting entity did business as usual on-going concern basis in the reporting period ended 30 June 2024. The entity has no further information to disclose besides its principal activities defined and described in its audited Annual Report.

- Proposal of profit distribution or loss compensation

Profit and loss are attributable to the investors of the collective investment scheme, thus holders of redeemable shares of each Sub-fund. Equity holders bear all the profits and losses.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 6 b), d) and e) of the law 431/2002 of The Accounting Act as amended, complete the information about:

- All significant information about management methods and where such information is published

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

Company and its sub-funds are internally managed by Investment Committee. Board of Directors and Investment Committee meet periodically to discuss investments and day to day business of the company and its sub-funds. Minutes of the Board and Investment committee meetings are available at the registered office of the company.

Offering Memorandum, Articles of Association and Offering Supplements of both sub-funds are also available at the registered office.

- Description of the main system of internal controls and risk management in relation to financial statements

On top of company's Board of Directors, the company has an independent compliance officer who does on-site inspections and reports directly to the Maltese Financial Services Authority.

Decision making power is vested in any two out of three directors, when it comes to investments in any two out of three Investment Committee Members.

- Information about activities of General Meeting and its powers (specifying General Meeting meetings in 2024 and resolutions that were adopted)

General Meeting is held once a year, usually in April, to ratify and execute audited Annual Report of the company.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 7 g) and j) of the law 431/2002 of The Accounting Act as amended, complete the information about:

- Regulations about replacing and dismissing of members of the Statutory body and the change of statutes

General Meeting nominates and Maltese Financial Services Authority approves members of the statutory body, namely directors who are part of the Board of Directors. Board of Directors nominates and approves members of the Investment Committee.

Investment objectives of the sub-funds are clearly defined in the Offering Supplements and can only be changed with the approval of holders of investment shares.

- All agreements concluded between the company and members of its corporate bodies or employees on the basis of which compensation is to be provided if the employment relationship is terminated by resignation, termination by the employee, dismissal, termination by the employer without giving a reason or the employment is terminated due to company takeover.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 6 e) of the law 431/2002 of The Accounting Act as amended, complete the information about the activities of the General Meeting in 2023.

# ALPHA QUEST FUNDS SICAV p.l.c.

## SPECIFIC DISCLOSURES (CONTINUED)

*Company held one general meeting during the course of financial year 2024.*

Annual General Meeting was held on June 4<sup>th</sup>, 2024 during which the following resolutions have been adopted.

1. Waiver of fourteen (14) clear days' notice requirement.
2. Approval of company's annual report and consolidated financial statements for the year ended 31 December 2023.
3. Approval of director's annual report on the company's financial statements for the year ended 31 December 2023.
4. Approval of auditor's annual report on the company's financial statements for the year ended 31 December 2023.
5. Reappointment of KPMG Malta Limited as the auditor of the company and authorise changes in remuneration (if any).
6. Reappointment of the directors of the company and approval of the directors' and officers' remuneration.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 7 g) of The Accounting Act, complete the information about the rules governing the appointment and dismissal of members of its statutory body and the amendment of its statutes.

### *The Directors*

The company's Board of Directors will be composed of not less than three (3) and not more than seven (7) individual Directors approved by the MFSA and appointed by the holders of Founder Shares upon incorporation of the Company.

### *The Investment Committee*

The Board of Directors of the Company shall appoint an Investment Committee for each Fund as described in the relevant Offering Supplement. The Investment Committee will consist of a minimum of three (3) members, who shall be individuals and will be listed in the relevant Offering Supplement.

According to Article 34 part 2 a) of The Act on Stock Exchanges and Article 20 part 7 j) of The Accounting Act, complete the information about any agreements concluded between the company and members of its corporate bodies or employees on the basis of which compensation is to be provided if the employment relationship is terminated by resignation, termination by the employee, dismissal, termination by the employer without reason.

Company has not signed any such agreements and does not provide any compensation should any of the directors or investment committee members' involvement be terminated the same applies should any of the involved parties resign.

There were no such agreements during the reporting period.

All important information regarding the company, bonds issued, coupons paid and any other relevant notification can be found on [www.aqbond.com](http://www.aqbond.com).

## ALPHA QUEST FUNDS SICAV p.l.c.

### SPECIFIC DISCLOSURES (CONTINUED)

#### Number of employees as of 30.06.2024

Alpha Quest Funds SICAV p.l.c. employs zero (0) employees. All provided services are on contract basis.

#### Net turnover as of 30.06.2024

Alpha Quest Funds SICAV p.l.c. does not generate net turnover figures in its financial statements.

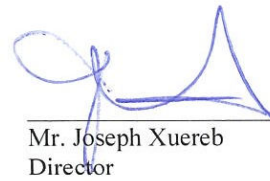
We the directors, Mr. Michal Kosac, Dr. Frank Chetcuti Dimech, Mr. Joseph Xuereb, and Mr. Ovidiu Fer, are responsible for the preparation of the Unaudited Interim Combined Financial Statements of the Company for the period January 1st - June 30th, 2024 and confirm that to the best of our knowledge they are complete and accurate in all material respects and conform with the MFSA's applicable requirements in terms of the Company's License Conditions and any disclosures of the Company's past performance.

Approved by the Board of Directors on 18 September 2024 and signed on its behalf by:



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Mr. Michal Kosac  
Director



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Mr. Joseph Xuereb  
Director



# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Financial Position

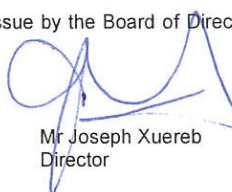
As at 30 June 2024

|  |       | The Company       | The Company       |
|--|-------|-------------------|-------------------|
|  |       | 30.06.24          | 31.12.23          |
|  | Notes | EUR               | EUR               |
| <b>Non-current assets</b>                                      |       |                   |                   |
| Restitution points   | 12    | <u>38,287,161</u> | 34,220,051        |
| <b>Total non-current assets</b>                                |       | <u>38,287,161</u> | <u>34,220,051</u> |
| <b>Current assets</b>  |       |                   |                   |
| Cash and cash equivalents                                      | 5     | 2,549,817         | 1,126,257         |
| Financial assets at fair value through profit or loss          | 11    | 32,353,401        | 21,636,251        |
| Restitution points   | 12    | 15,286,869        | 12,646,798        |
| Loans and Interest receivable                                  |       | 4,087,283         | 2,059,178         |
| Receivable from redeemable shareholders                        |       | 296,267           | 296,267           |
| Prepaid expenses   |       | 159,861           | 53,564            |
| Receivable from Government of Romania                          |       | -                 | 17,060,856        |
| Distribution in advance  |       | -                 | 1,077,526         |
| Other receivables  |       | 515,895           | 331,757           |
| <b>Total current assets</b>                                    |       | <u>55,249,393</u> | <u>56,288,454</u> |
| <b>Total assets</b>  |       | <u>93,536,554</u> | <u>90,508,505</u> |
| <b>Equity and Liabilities</b>                                  |       |                   |                   |
| <b>Share capital and reserves</b>                              |       |                   |                   |
| Share capital  | 6     | 1,120             | 1,120             |
| Retained earnings  |       | 3,175,224         | 2,881,945         |
| <b>Total equity</b>  |       | <u>3,176,344</u>  | <u>2,883,065</u>  |
| <b>Liabilities</b>   |       |                   |                   |
| <b>Non-current liabilities</b>                                 |       |                   |                   |
| Bonds payable  | 13    | 47,982,915        | 48,099,285        |
| <b>Total non-current liabilities</b>                           |       | <u>47,982,915</u> | <u>48,099,285</u> |
| <b>Current liabilities</b>                                     |       |                   |                   |
| Bank overdraft   | 5     | 7,268,701         | 8,278,052         |
| Interest payable   | 13    | 1,079,207         | 298,652           |
| Administration fees payable                                    | 14    | 12,722            | 9,900             |
| Audit fees payable   |       | 29,722            | 52,156            |
| Due to "A" Class Shareholders                                  |       | 5,284             | 5,287             |
| Investment advisory fees payable                               |       | -                 | 50,000            |
| Other payables   | 14    | 10,574            | 8,458             |
| <b>Total current liabilities</b>                               |       | <u>8,406,210</u>  | <u>8,702,505</u>  |
| <b>Total liabilities</b>                                       |       | <u>56,389,125</u> | <u>56,801,790</u> |
| <b>Net assets attributable to holders of redeemable shares</b> | 7     | <u>33,971,085</u> | <u>30,823,650</u> |
| <b>Total Equity and Liabilities</b>                            |       | <u>93,536,554</u> | <u>90,508,505</u> |

The accompanying notes are an integral part of these financial statements. These also include more detailed information about the amounts attributable to the founder shareholders and the attributable to unit holders of investor shares, in the next two pages.

The financial statements on pages 23 to 59 were approved and authorised for issue by the Board of Directors on 18 September 2024 and were signed on its behalf by:

  
Mr Michal Kosac  
Director

  
Mr Joseph Xuereb  
Director

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Financial Position (continued)

As at 30 June 2024

The following table provides more detailed information about the amounts attributable to founder shareholders and amounts attributable to unit holders of redeemable shares. This information is being presented in accordance with the prevalent local practice.

|  | Notes | Attributable to founder shareholders | Attributable to unit holders of redeemable shares of: |  |
|--|-------|--------------------------------------|---|--|
|  |       | 30.06.24<br>EUR                      | Alpha Quest<br>Balanced Fund<br>30.06.24<br>EUR       | Alpha Quest<br>Opportunity Fund<br>30.06.24<br>EUR |
| <b>Non-current assets</b>                                      |       |                                      |   |  |
| Restitution points   | 12    | -                                    | 38,287,161  | -  |
| <b>Total non-current assets</b>                                |       | -                                    | 38,287,161  | -  |
| <b>Current assets</b>  |       |                                      |   |  |
| Cash and cash equivalents                                      | 5     | 1,780,828                            | 768,989   | -  |
| Financial assets at fair value through profit or loss          | 11    | -                                    | 11,878,521  | 20,474,880   |
| Restitution points   | 12    | -                                    | 15,286,869  | -  |
| Due from founder shareholders                                  | 8     | -                                    | 11,915,745  | 3,155,115  |
| Due from sub-funds   | 8     | -                                    | 2,642,017   | -  |
| Management and performance fee receivable                      | 14    | 16,466,376                           | -   | -  |
| Loans and interest receivable                                  |       | -                                    | 4,087,283   | -  |
| Prepaid expenses   |       | -                                    | 42,029  | 117,832  |
| Receivable from redeemable shareholders                        |       | -                                    | -   | 296,267  |
| Other receivables  |       | -                                    | 20,190  | 495,705  |
| <b>Total current assets</b>                                    |       | 18,247,204                           | 46,641,643  | 24,539,799   |
| <b>Total assets</b>  |       | 18,247,204                           | 84,928,804  | 24,539,799   |
| <b>Equity and Liabilities</b>                                  |       |                                      |   |  |
| <b>Share capital and reserves</b>                              |       |                                      |   |  |
| Share capital  | 6     | 1,120                                | -   | -  |
| Retained earnings  |       | 3,175,224                            | -   | -  |
| <b>Total equity</b>  |       | 3,176,344                            | -   | -  |
| <b>Liabilities</b>   |       |                                      |   |  |
| <b>Non-current liabilities</b>                                 |       |                                      |   |  |
| Bonds payable  | 13    | -                                    | 47,982,915  | -  |
| <b>Total non-current liabilities</b>                           |       | -                                    | 47,982,915  | -  |
| <b>Current liabilities</b>                                     |       |                                      |   |  |
| Bank overdraft   | 5     | -                                    | 1,746,390   | 5,522,311  |
| Interest payable   | 13    | -                                    | 1,079,207   | -  |
| Administration fees payable                                    | 14    | -                                    | 6,361   | 6,361  |
| Audit fees payable   |       | -                                    | 14,861  | 14,861   |
| Management fees payable  | 14    | -                                    | 3,213,407   | 782,426  |
| Accrued performance fees                                       | 14    | -                                    | 2,017,568   | 292,961  |
| Performance fees payable                                       | 14    | -                                    | 8,480,928   | 1,679,086  |
| Due to "A" Class Shareholders                                  |       | -                                    | 5,284   | -  |
| Due to sub-funds   | 8     | 15,070,860                           | -   | 2,642,017  |
| Other payables   | 14    | -                                    | 5,327   | 5,247  |
| <b>Total current liabilities</b>                               |       | 15,070,860                           | 16,569,333  | 10,945,270   |
| <b>Total liabilities</b>                                       |       | 15,070,860                           | 64,552,248  | 10,945,270   |
| <b>Net assets attributable to holders of redeemable shares</b> | 7     | -                                    | 20,376,556  | 13,594,529   |
| <b>Total Equity and Liabilities</b>                            |       | 18,247,204                           | 84,928,804  | 24,539,799   |

The above information is an integral part of the notes to these financial statements.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Financial Position (continued)

As at 30 June 2024

The following table provides more detailed information about the amounts attributable to founder shareholders and amounts attributable to unit holders of redeemable shares. This information is being presented in accordance with the prevalent local practice.

|   | Notes | Attributable to         | Attributable to unit holders of          |   |
|---|-------|-------------------------|--|---|
|   |       | founder<br>shareholders | redeemable shares of:                    |   |
|   |       | 31.12.23                | Alpha Quest<br>Balanced Fund<br>31.12.23 | Alpha Quest<br>Opportunity Fund<br>31.12.23 |
|   |       | EUR                     | EUR                                      | EUR   |
| <b>Non-current assets</b>                               |       |                         |  |   |
| Restitution points                                      | 12    | -                       | 34,220,051                               | -   |
| Total non-current assets                                |       | -                       | 34,220,051                               | -   |
| <b>Current assets</b>                                   |       |                         |  |   |
| Cash and cash equivalents                               | 5     | 649,906                 | 476,351                                  | -   |
| Financial assets at fair value through profit or loss   | 11    | -                       | 1,317,978                                | 20,318,273                                  |
| Receivable from Government of Romania                   |       | -                       | 17,060,856                               | -   |
| Restitution points                                      | 12    | -                       | 12,646,798                               | -   |
| Due from founder shareholders                           | 8     | -                       | 10,824,251                               | 3,159,617                                   |
| Due from sub-funds                                      | 8     | -                       | 2,641,169                                | -   |
| Management and performance fee receivable               | 14    | 15,139,501              | -  | -   |
| Loans and interest receivable                           |       | -                       | -  | 2,059,178                                   |
| Distribution in advance                                 |       | 1,077,526               | -  | -   |
| Receivable from redeemable shareholders                 |       | -                       | -  | 296,267                                     |
| Prepaid expenses  |       | -                       | 32,924                                   | 20,640                                      |
| Other receivables                                       |       | -                       | 10,195                                   | 321,562                                     |
| Total current assets                                    |       | 16,866,933              | 45,010,522                               | 26,175,537                                  |
| Total assets  |       | 16,866,933              | 79,230,573                               | 26,175,537                                  |
| <b>Equity and Liabilities</b>                           |       |                         |  |   |
| <b>Share capital and reserves</b>                       |       |                         |  |   |
| Share capital   | 6     | 1,120                   | -  | -   |
| Retained earnings                                       |       | 2,881,945               | -  | -   |
| Total equity  |       | 2,883,065               | -  | -   |
| <b>Liabilities</b>                                      |       |                         |  |   |
| <b>Non-current liabilities</b>                          |       |                         |  |   |
| Bonds payable   | 13    | -                       | 48,099,285                               | -   |
| Total non-current liabilities                           |       | -                       | 48,099,285                               | -   |
| <b>Current liabilities</b>                              |       |                         |  |   |
| Bank overdraft  | 5     | -                       | -  | 8,278,052                                   |
| Interest payable  | 13    | -                       | 298,652                                  | -   |
| Administration fees payable                             | 14    | -                       | 4,950                                    | 4,950                                       |
| Audit fees payable                                      |       | -                       | 20,812                                   | 31,344                                      |
| Management fees payable                                 | 14    | -                       | 2,797,007                                | 678,060                                     |
| Performance fees payable                                | 14    | -                       | 9,892,288                                | 1,772,146                                   |
| Due to "A" Class Shareholders                           | 8     | -                       | 5,287                                    | -   |
| Investment advisory fees payable                        |       | -                       | -  | 50,000                                      |
| Due to sub-funds  | 8     | 13,983,868              | -  | 2,641,169                                   |
| Other payables  | 14    | -                       | 4,289                                    | 4,169                                       |
| Total current liabilities                               |       | 13,983,868              | 13,023,285                               | 13,459,890                                  |
| Total liabilities                                       |       | 13,983,868              | 61,122,570                               | 13,459,890                                  |
| Net assets attributable to holders of redeemable shares | 7     | -                       | 18,108,003                               | 12,715,647                                  |
| Total Equity and Liabilities                            |       | 16,866,933              | 79,230,573                               | 26,175,537                                  |

The accompanying notes are an integral part of these financial statements.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Comprehensive Income For the period ended 30 June 2024

|  |       | The Company        | The Company        |
|--|-------|--------------------|--------------------|
|  |       | 30.06.24           | 30.06.23           |
|  | Notes | EUR                | EUR                |
| <b>Income</b>  |       |                    |                    |
| Net gain on financial assets at fair value through profit or loss              |       | 1,544,249          | 1,087,960          |
| Income from restitution points   |       | 5,743,560          | 5,394,140          |
| Net (loss)/gain on foreign exchange  |       | (52,093)           | 79,613             |
| Interest income calculated using the effective interest method                 | 15    | 630,868            | 509,170            |
| Dividend income  |       | 93,213             | 89,069             |
| Other income   |       | 5,499              | 19,651             |
| <b>Total investment income</b>   |       | <b>7,965,296</b>   | <b>7,179,603</b>   |
| <b>Expenditure</b>   |       |                    |                    |
| Administration fees  | 14    | (25,944)           | (22,524)           |
| Audit fees   | 14    | (30,854)           | (40,638)           |
| Directors and investment committee fees  | 8     | (16,870)           | (10,720)           |
| Professional fees  | 8     | (21,796)           | (4,120)            |
| Other operating expenses   | 17    | (643,643)          | (480,930)          |
| <b>Total operating expenses</b>  |       | <b>(739,107)</b>   | <b>(558,932)</b>   |
| <b>Operating profit before finance costs</b>                                   |       | <b>7,226,189</b>   | <b>6,620,671</b>   |
| Interest expense   | 16    | (1,203,529)        | (1,221,154)        |
| <b>Total finance costs</b>   |       | <b>(1,203,529)</b> | <b>(1,221,154)</b> |
| <b>Profit for the period</b>   |       | <b>6,022,660</b>   | <b>5,399,517</b>   |
| <b>Attributable to founder shareholders</b>                                    |       | <b>2,875,225</b>   | <b>2,864,088</b>   |
| <b>Net increase in net assets attributable to holders of redeemable shares</b> |       | <b>3,147,435</b>   | <b>2,535,429</b>   |
| <b>Total comprehensive income for the period</b>                               |       | <b>6,022,660</b>   | <b>5,399,517</b>   |

The accompanying notes are an integral part of these financial statements. These also include more detailed information about the amounts attributable to the founder shareholders and the attributable to unit holders of investor shares, in the next two pages.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Comprehensive Income (continued)

For the period ended 30 June 2024

The following table provides more detailed information about the amounts attributable to founder shareholders and amounts attributable to unit holders of investor shares. This information is being presented in accordance with the prevalent local practice.

|  | Notes | Attributable to founder shareholders | Attributable to unitholders of redeemable shares of: |   |
|--|-------|--------------------------------------|--|---|
|  |       | 30.06.24<br>EUR                      | Alpha Quest<br>Balanced<br>Fund<br>30.06.24<br>EUR   | Alpha Quest<br>Opportunity<br>Fund<br>30.06.24<br>EUR |
| <b>Income</b>  |       |                                      |  |   |
| Net gain on financial assets at fair value through profit or loss              |       | -                                    | 224,971  | 1,319,278   |
| Income from restitution points   |       | -                                    | 5,743,560  | -   |
| Net gain/(loss) on foreign exchange  |       | 7,531                                | 51,589   | (111,213)   |
| Interest income calculated using the effective interest method                 | 15    | 36,655                               | 74,622   | 519,591   |
| Income from management and performance fees                                    |       | 2,831,294                            | -  | -   |
| Dividend income  |       | -                                    | -  | 93,213  |
| Other income   |       | -                                    | 1,127  | 4,372   |
| <b>Total investment income</b>   |       | <u>2,875,480</u>                     | <u>6,095,869</u>                                     | <u>1,825,241</u>                                      |
| <b>Expenditure</b>   |       |                                      |  |   |
| Administration fees  | 14    | -                                    | (13,109)   | (12,835)  |
| Audit fees   | 14    | -                                    | (15,743)   | (15,111)  |
| Directors and investment committee fees  | 8     | -                                    | (8,435)  | (8,435)   |
| Performance fees   |       | -                                    | (2,017,568)  | (292,961)   |
| Professional fees  |       | -                                    | (18,451)   | (3,345)   |
| Management fees  | 14    | -                                    | (416,400)  | (104,365)   |
| Other operating expenses   | 17    | (255)                                | (134,081)  | (509,307)   |
| <b>Total operating expenses</b>  |       | <u>(255)</u>                         | <u>(2,623,787)</u>                                   | <u>(946,359)</u>                                      |
| <b>Operating profit before finance costs</b>                                   |       | <u>2,875,225</u>                     | <u>3,472,082</u>                                     | <u>878,882</u>  |
| Interest expense   | 16    | -                                    | (1,203,529)  | -   |
| <b>Total finance costs</b>   |       | <u>-</u>                             | <u>(1,203,529)</u>                                   | <u>-</u>  |
| <b>Profit for the period</b>   |       | <u>2,875,225</u>                     | <u>2,268,553</u>                                     | <u>878,882</u>  |
| <b>Attributable to founder shareholders</b>                                    |       | 2,875,225                            | -  | -   |
| <b>Net increase in net assets attributable to holders of redeemable shares</b> |       | -                                    | 2,268,553  | 878,882   |
| <b>Total comprehensive income for the period</b>                               |       | <u>2,875,225</u>                     | <u>2,268,553</u>                                     | <u>878,882</u>  |

The above information is an integral part of the notes to these financial statements.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Comprehensive Income (continued) For the period ended 30 June 2024

The following table provides more detailed information about the amounts attributable to founder shareholders and amounts attributable to unit holders of investor shares. This information is being presented in accordance with the prevalent local practice.

|  | Notes | Attributable to founder shareholders | Attributable to unitholders of redeemable shares of: |   |
|--|-------|--------------------------------------|--|---|
|  |       | 30.06.23<br>EUR                      | Alpha Quest<br>Balanced<br>Fund<br>30.06.23<br>EUR   | Alpha Quest<br>Opportunity<br>Fund<br>30.06.23<br>EUR |
| <b>Income</b>  |       |                                      |  |   |
| Net gain/(loss) on financial assets at fair value through profit or loss           |       | -                                    | 1,386,195  | (298,235)   |
| Income from restitution points   |       | -                                    | 5,250,990  | 143,150   |
| Net gain on foreign exchange   |       | 27,322                               | 47,190   | 5,101   |
| Income from management and performance fees  | 14    | 2,837,035                            | -  | -   |
| Interest income calculated using the effective interest method                     | 15    | -                                    | 181,678  | 327,492   |
| Dividend income  |       | -                                    | -  | 89,069  |
| Other income   |       | -                                    | -  | 19,651  |
| <b>Total investment income</b>   |       | <b>2,864,357</b>                     | <b>6,866,053</b>                                     | <b>286,228</b>  |
| <b>Expenditure</b>   |       |                                      |  |   |
| Administration fees  | 14    | -                                    | (11,262)   | (11,262)  |
| Audit fees   | 14    | -                                    | (20,319)   | (20,319)  |
| Directors and investment committee fees  | 8     | -                                    | (5,360)  | (5,360)   |
| Performance fees   |       | -                                    | (2,389,546)  | -   |
| Professional fees  |       | -                                    | (2,120)  | (2,000)   |
| Management fees  | 14    | -                                    | (358,052)  | (80,824)  |
| Other operating expenses   | 17    | (269)                                | (217,395)  | (271,879)   |
| <b>Total operating expenses</b>  |       | <b>(269)</b>                         | <b>(3,004,054)</b>                                   | <b>(391,644)</b>                                      |
| <b>Operating profit/(loss) before finance costs</b>                                |       | <b>2,864,088</b>                     | <b>3,861,998</b>                                     | <b>(105,416)</b>                                      |
| Interest expense   | 16    | -                                    | (1,221,154)  | -   |
| <b>Total finance costs</b>   |       | <b>-</b>                             | <b>(1,221,154)</b>                                   | <b>-</b>  |
| <b>Profit/(loss) for the period</b>  |       | <b>2,864,088</b>                     | <b>2,640,845</b>                                     | <b>(105,416)</b>                                      |
| Attributable to founder shareholders   |       | 2,864,088                            | -  | -   |
| Net increase/(decrease) in net assets attributable to holders of redeemable shares |       | -                                    | 2,640,845  | (105,416)   |
| <b>Total comprehensive income/(loss) for the period</b>                            |       | <b>2,864,088</b>                     | <b>2,640,845</b>                                     | <b>(105,416)</b>                                      |

The accompanying notes are an integral part of these financial statements.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the period ended 30 June 2024

|  | The Company       | The Company        |
|--|-------------------|--------------------|
|  | 30.06.24          | 30.06.23           |
|  | EUR               | EUR                |
| <b>Balance at the beginning of the period</b>  | <b>30,823,650</b> | 28,011,431         |
| Redemption of redeemable shares during the period  | -                 | (3,675,683)        |
| <b>Transactions with holders of redeemable shares</b>                                      | <b>-</b>          | <b>(3,675,683)</b> |
| Increase in net assets attributable to holders of redeemable shares                        | <b>3,147,435</b>  | 2,535,428          |
| <b>Net assets as at the end of the period attributable to holders of redeemable shares</b> | <b>33,971,085</b> | <b>26,871,176</b>  |

The accompanying notes are an integral part of these financial statements. These also include more detailed information about the amounts attributable to unit holders of redeemable shares, in the next page.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares (continued)

For the period ended 30 June 2024

The following table provides more detailed information about the amounts attributable to holders of redeemable shares. This information is being presented in accordance with the prevalent local practice.

|  | Attributable to unitholders of redeemable shares of: |                                    |
|--|--|------------------------------------|
|  | Alpha Quest<br>Balanced Fund                         | Alpha Quest<br>Opportunity<br>Fund |
|  | 30.06.24   | 30.06.24                           |
|  | EUR  | EUR                                |
| <b>Balance at the beginning of the period</b>  | <b>18,108,003</b>                                    | <b>12,715,647</b>                  |
| Increase in net assets attributable to holders of redeemable shares                        | <b>2,268,553</b>                                     | <b>878,882</b>                     |
| <b>Net assets as at the end of the period attributable to holders of redeemable shares</b> | <b>20,376,556</b>                                    | <b>13,594,529</b>                  |

|  | Attributable to unitholders of redeemable shares of: |                                    |
|--|--|------------------------------------|
|  | Alpha Quest<br>Balanced Fund                         | Alpha Quest<br>Opportunity<br>Fund |
|  | 30.06.23   | 30.06.23                           |
|  | EUR  | EUR                                |
| Balance at the beginning of the period   | 15,648,946   | 12,362,485                         |
| Redemption of redeemable shares during the period  | (2,143,951)  | (1,531,732)                        |
| Transactions with holders of redeemable shares   | (2,143,951)  | (1,531,732)                        |
| Increase/(decrease) in net assets attributable to holders of redeemable shares             | 2,640,844  | (105,416)                          |
| <b>Net assets as at the end of the period attributable to holders of redeemable shares</b> | <b>16,145,839</b>                                    | <b>10,725,337</b>                  |

The accompanying notes are an integral part of these financial statements.



# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Changes in Equity Attributable to Founder Shareholders For the period ended 30 June 2024

|  | Share<br>capital<br>30.06.24<br>EUR | Retained<br>earnings<br>30.06.24<br>EUR | Total<br>30.06.24<br>EUR |
|--|-------------------------------------|---|--------------------------|
| Balance as at the beginning of the period    | 1,120                               | 2,881,945                               | 2,883,065                |
| <b>Transactions with owners</b>              |                                     |   |                          |
| Dividends declared to 'A' Class Shareholders | -                                   | (2,253,246)                             | (1,383,719)              |
| Dividends declared to 'V' Class Shareholders |                                     | (328,700)                               | (328,700)                |
| <b>Comprehensive income</b>                  |                                     |   |                          |
| Profit for the period                        | -                                   | 2,875,225                               | 2,875,225                |
| <b>Balance as at the end of the period</b>   | <b>1,120</b>                        | <b>3,175,224</b>                        | <b>3,176,344</b>         |
|  | Share<br>capital<br>30.06.23<br>EUR | Retained<br>earnings<br>30.06.23<br>EUR | Total<br>30.06.23<br>EUR |
| Balance as at the beginning of the period    | 1,100                               | 1,778,564                               | 1,779,664                |
| <b>Transactions with owners</b>              |                                     |   |                          |
| Dividends declared to 'A' class shareholders | -                                   | (1,953,107)                             | (1,953,107)              |
| <b>Comprehensive income</b>                  |                                     |   |                          |
| Profit for the period                        | -                                   | 2,864,088                               | 2,864,088                |
| <b>Balance as at the end of the period</b>   | <b>1,100</b>                        | <b>2,689,545</b>                        | <b>2,690,645</b>         |

The accompanying notes are an integral part of these financial statements.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Cash Flows

For the period ended 30 June 2024

|   | The Company        | The Company            |
|---|--------------------|------------------------|
|   | 30.06.24           | 30.06.23               |
|   | EUR                | EUR                    |
| <b>Cash flows from operating activities</b>                       |                    |                        |
| Operating expenses paid   | (3,773,777)        | (9,128,747)            |
| Interest received   | 463,937            | 1,045,501              |
| Purchase of investments and restitution points                    | (20,975,393)       | (69,775,332)           |
| Sale of investments and redemption of restitution points          | 30,697,326         | (1,970,726,529)        |
| Repayment of loans advanced to related and third parties          | 2,000,000          | -                      |
| Loans provided to related and third parties                       | (4,000,000)        | (519,610)              |
| Investment in advance   | -                  | (314,725)              |
| <b>Net cash inflows/(outflows) from operating activities</b>      | <b>4,412,093</b>   | <b>(2,049,419,443)</b> |
| <b>Cash flows from financing activities</b>                       |                    |                        |
| Interest paid   | (422,974)          | (438,623)              |
| Amounts advanced to 'A' Class Shareholders                        | -                  | (869,527)              |
| Amounts advanced to 'V' Class Shareholders                        | (120,700)          | -                      |
| Dividends paid to 'A' Class shareholders                          | (1,383,719)        | (1,478,564)            |
| Amounts paid on redemption of shares                              | -                  | (3,675,683)            |
| <b>Net cash outflows from financing activities</b>                | <b>(1,927,393)</b> | <b>(6,462,397)</b>     |
| Net increase/(decrease) in cash and cash equivalents              | 2,484,700          | (2,055,881,840)        |
| Cash and cash equivalents at beginning of year                    | (7,151,795)        | (1,640,499)            |
| Effect of exchange rate fluctuations in cash and cash equivalents | (51,789)           | 2,055,083,687          |
| <b>Cash and cash equivalents at end of period</b>                 | <b>(4,718,884)</b> | <b>(2,438,652)</b>     |

The accompanying notes are an integral part of these financial statements. These also include more detailed information about the amounts attributable to the founder shareholders and the attributable to unit holders of redeemable shares, in the next two pages.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Cash Flows (continued)

For the period ended 30 June 2024

|   | Attributable<br>to founder<br>shareholders | Attributable to unitholders of<br>redeemable shares of: |                                    |
|---|--|---|------------------------------------|
|   |  | Alpha Quest<br>Balanced<br>Fund                         | Alpha Quest<br>Opportunity<br>Fund |
|   | 30.06.24                                   | 30.06.24  | 30.06.24                           |
|   | EUR  | EUR   | EUR                                |
| <b>Cash flows from operating activities</b>                       |  |   |                                    |
| Operating expenses paid   | (255)                                      | (1,657,327)   | (2,116,195)                        |
| Interest received   | 36,655                                     | 22,656  | 404,626                            |
| Net received/(paid to) from sub-funds                             | 2,604,671                                  | (1,695)   | 1,695                              |
| Net paid to the founder shareholders                              | -  | (1,101,290)   | -                                  |
| Purchase of investments and restitution points                    | -  | (14,118,415)  | (6,856,978)                        |
| Sale of investments and redemption of restitution points          | -  | 19,826,159  | 9,367,786                          |
| Received of loans provided to related and third parties           | -  | -   | 2,000,000                          |
| Loans provided to related and third parties                       | -  | (4,000,000)   | -                                  |
| <b>Net cash inflows/(outflows) from operating activities</b>      | <b>2,641,071</b>                           | <b>(1,029,912)</b>                                      | <b>2,800,934</b>                   |
| <b>Cash flows from financing activities</b>                       |  |   |                                    |
| Interest paid   | -  | (422,974)   | -                                  |
| Amounts advanced to 'V' Class shareholders                        | (120,700)                                  | -   | -                                  |
| Dividends paid to 'A' Class shareholders                          | (1,383,719)                                | -   | -                                  |
| <b>Net cash outflows from financing activities</b>                | <b>(1,504,419)</b>                         | <b>(422,974)</b>  | <b>-</b>                           |
| Net increase/(decrease) in cash and cash equivalents              | 1,136,652                                  | (1,452,886)   | 2,800,934                          |
| Cash and cash equivalents at beginning of period                  | 649,906                                    | 476,351   | (8,278,052)                        |
| Effect of exchange rate fluctuations in cash and cash equivalents | (5,730)                                    | (866)   | (45,193)                           |
| <b>Cash and cash equivalents at end of period</b>                 | <b>1,780,828</b>                           | <b>(977,401)</b>  | <b>(5,522,311)</b>                 |

The accompanying notes are an integral part of these financial statements.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Statement of Cash Flows (continued)

For the period ended 30 June 2024

|   | Attributable to founder shareholders | Attributable to unitholders of redeemable shares of: |                              |
|---|--------------------------------------|--|------------------------------|
|   |                                      | Alpha Quest Balanced Fund                            | Alpha Quest Opportunity Fund |
|   | 30.06.23<br>EUR                      | 30.06.23<br>EUR                                      | 30.06.23<br>EUR              |
| <b>Cash flows from operating activities</b>                       |                                      |  |                              |
| Operating expenses paid   | (269)                                | (282,275)  | (8,846,203)                  |
| Interest received   | -                                    | 577,436  | 468,065                      |
| Net received/(paid to) from sub-funds                             | 481,182                              | (111,187)  | 112,140                      |
| Net paid to the founder shareholders                              | -                                    | (260,424)  | (263,744)                    |
| Purchase of investments and restitution points                    | -                                    | (44,512,153)   | (25,263,179)                 |
| Sale of investments and redemption of restitution points          | -                                    | 49,857,235   | (2,020,541,732)              |
| Loans provided to related and third parties                       | -                                    | (519,610)  | -                            |
| Investment in advance   | -                                    | -  | (314,725)                    |
| Net cash inflows/(outflows) from operating activities             | 480,913                              | 4,749,022  | (2,054,649,378)              |
| <b>Cash flows from financing activities</b>                       |                                      |  |                              |
| Interest paid   | -                                    | (438,623)  | -                            |
| Amounts paid on redemption of shares                              | -                                    | (2,143,951)  | (1,531,732)                  |
| Amounts advanced to 'A' Class shareholders                        | (869,527)                            | -  | -                            |
| Dividends paid to 'A' Class shareholders                          | (1,478,564)                          | -  | -                            |
| Net cash outflows from financing activities                       | (2,348,091)                          | (2,582,574)  | (1,531,732)                  |
| Net (decrease)/increase in cash and cash equivalents              | (1,867,178)                          | 2,166,448  | (2,056,181,110)              |
| Cash and cash equivalents at beginning of period                  | 2,148,482                            | (2,491,047)  | (1,297,934)                  |
| Effect of exchange rate fluctuations in cash and cash equivalents | 45,922                               | 455,805  | 2,054,581,960                |
| Cash and cash equivalents at end of period                        | 327,226                              | 131,206  | (2,897,084)                  |

The accompanying notes are an integral part of these financial statements.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements

For the period ended 30 June 2024

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### 1 Reporting entity

Alpha Quest Funds SICAV p.l.c. (the "Company") is organized under the laws of Malta as an investment company with variable share capital (SICAV) incorporated in accordance with the terms of the Companies Act, 1995 (Chapter 386, Laws of Malta) on 28 November 2016, with registration number SV 430. The Company is licensed by the Malta Financial Services Authority (MFSA) under the Investment Services Act (Chapter 370 of the Laws of Malta) as an Alternative Investment Fund which targets Professional Investors. However, until 19 July 2023, the Company was licensed as a Professional Investor Fund which targeted Qualifying Investors.

As at reporting date, the Company has two Sub-funds, the Alpha Quest Balanced Fund and the Alpha Quest Opportunity Fund (the "Sub-funds"), which were both licensed on 30 November 2016. The Sub-funds are not separate legal entities. Alpha Quest Balanced Fund has issued bonds (see note 13) which are listed on the Prague Stock Exchange and on the Bratislava Stock Exchange.

The Company is the reporting entity and comprises all the activities of Alpha Quest Fund SICAV p.l.c. as the entity with the separate legal personality. The Statutory Financial Statements are those presented for the Company. The Sub-funds are an integral part of that entity, as these do not have separate legal personality.

In accordance with prevalent local practice, segregated financial information relating to amounts 'attributable to the founder shareholders' and to amounts 'attributable to holders of redeemable shares (segregated by the specific Sub-fund) are disclosed following each primary financial statement, as applicable, and these form an integral part of the notes to the financial statements. Also, in accordance with local practice, where appropriate, other disclosures in the notes in the financial statements are segregated by Sub-fund. The inclusion of such financial information is nonetheless not a statutory requirement.

### 2 Basis of preparation

#### 2.1 Statement of compliance

These financial statements have been prepared and presented in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") (the "applicable framework"). All references in these financial statements to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU. These financial statements have also been prepared and presented in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta).

#### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at their fair value.

#### 2.3 Functional and presentation currency

The financial statements are presented in Euro (EUR), which is the functional and presentation currency of the Company, rounded to the nearest unit. The Euro (EUR) is also the currency in which the Company's share capital is denominated.

'Functional currency' is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then the directors use their judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Company's investments and transactions are denominated mainly in RON, CZK and EUR. Investor subscriptions and redemptions are determined based on net asset value, and received and paid in EUR. The expenses are denominated and paid in CZK, RON and EUR. Accordingly, the directors have determined that the functional currency of the Company is EUR.

#### 2.4 Use of assumptions, estimates and judgements

The preparation of financial statements in conformity with IFRS requires the directors to make judgments, estimates and assumptions that affect both the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate was revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult to reach, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 Presentation of Financial Statements.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 2 Basis of preparation (continued)

### 2.5 New standards and amendments to existing standards

#### 2.5.1 NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The Company has applied the following standards and amendments for the first time for their reporting commencing 1 January 2024:

| <b>Newly effective EU - endorsed standards for 1 January 2024 to 31 December 2024</b>  | <b>Effective date</b> | <b>Adoption</b>                    |
|--|-----------------------|------------------------------------|
| Amendments to IAS 1 Presentation of Financial Statements: <ul style="list-style-type: none"><li>• Classification of Liabilities as Current or Non-current (issued on 23 January 2020);</li><li>• Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and</li><li>• Non-current Liabilities with Covenants (issued on 31 October 2022)</li></ul> | 1 January 2024        | Adopted with no significant impact |
| Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023).  | 1 January 2024        | Adopted with no significant impact |

#### 2.5.2 STANDARDS ENDORSED BY THE EU – NOT YET EFFECTIVE (NOT EARLY ADOPTED)

There are no standards, amendments to existing standards or interpretations that are effective for annual periods beginning after 1 January 2024 and endorsed by the EU that have a material effect on the financial statements of the Company.

#### 2.5.3 STANDARDS NOT/NOT YET ENDORSED BY THE EU

A number of new standards and amendments to standards were issued by the IASB but not/not yet endorsed by the EU. The Directors of the Company are still evaluating the impact of the following standards and amendments in the period of their initial application, but it is not envisaged that they will have a significant impact.

| <b>Standards not endorsed by the EU - not yet effective (Not early adopted)</b>   | <b>Effective date</b> | <b>Adoption</b>  |
|---|-----------------------|------------------|
| • Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)   | 1 January 2025        | Not yet endorsed |
| • IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027)  | 1 January 2027        | Not yet endorsed |
| • Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments (applicable for annual periods beginning on or after 1 January 2026)  | 1 January 2026        | Not yet endorsed |
| • Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014) (effective for financial year beginning on or after 1 January 2026) | 1 January 2026        | Not yet endorsed |

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements

For the period ended 30 June 2024

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### 3 Material accounting policies

The Company has consistently applied the accounting policies as set out below to all periods presented in these financial statements.

#### 3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are retranslated to the functional currency at the spot exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the Statement of comprehensive income.

#### 3.2 Interest income and interest expense

Interest income comprises interest income on debt instruments. Interest expense comprises interest expense on borrowings. Interest income and interest expense are recognized as they accrue in profit or loss, using the effective interest method.

#### 3.3 Fees and commission expenses

Fees and commission expenses are recognised in the statement of comprehensive income as the related services are performed.

#### 3.4 Restitution points

Restitution points arise from a statutory right in Romania (as further explained in note 12) and consequently, are not considered to be a financial asset under IAS 32 *Financial Instruments: Presentation*. These points do not fall within the scope of any specific IFRS. The Directors performed an assessment of the restitution points under the EU adopted IFRS framework and concluded that this is captured by IAS 16 which provides specific guidance on compensation for the impairment of property, plant and equipment. On the premise that a loss event that creates a right for the Company to assert a claim has occurred, the entity recognises a receivable for the compensation when it has an unconditional contractual right to receive the compensation, in this case through holding the Restitution Points. The Company, therefore, accounts for the restitution points as follows:

On acquisition, the restitution points are recognised at the fair value of the consideration transferred, being the cash compensation paid to the transferor. Subsequently, these are measured at amortised cost based on the discounted future cash flows expected to arise from the redemption of the Restitution Points, on the basis that the Company will enjoy the economic benefits from these assets by way of redeeming them through forward claims against the Romanian State (compensated in cash, over a period of five years, in equal tranches of 20% of the total number of points it owns).

Any payment titles issued by the ANRP but for which cashflows were pending receipt as at year end will be accounted as a Receivable for Government of Romania and therefore recognised as a financial instrument in the Statement of Financial Position.

#### 3.5 Financial assets and financial liabilities

##### 3.5.1 Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities at fair value through profit or loss ("FVTPL") on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

##### 3.5.2 Classification and subsequent measurement

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI").

All other financial assets of the Company are measured at FVTPL.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

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### 3 Material accounting policies (continued)

#### 3.5 Financial assets and financial liabilities (continued)

##### 3.5.2 Classification and subsequent measurement (continued)

###### *Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models:

- *Held-to-collect business model*: this includes cash and cash equivalents, and other financial assets not included within the other business model. These other financial assets are held to collect contractual cash flows.
- *Other business model*: this includes debt securities and investments in listed open-ended investment funds and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place. These instruments are held for sale in the entity's normal operating cycle.

###### *Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

###### *Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

###### *Classification and subsequent measurement*

The Company classified financial assets into the following categories.

- Financial assets at FVTPL  
*Designated as at FVTPL*: equity securities, debt securities, mutual funds and forward contracts.
- Financial assets at amortised cost:  
*Loans and receivables*: cash and cash equivalents and loans and other receivables.

The Company designated all debt investments as at FVTPL on initial recognition because it managed these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities were on a fair value basis.

###### *Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.



# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

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### 3 Material accounting policies (continued)

### 3.5 Financial assets and financial liabilities (continued)

#### 3.5.2 Classification and subsequent measurement (continued)

*Financial liabilities – Classification, subsequent measurement and gains and losses (continued)*

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Financial liabilities measured at amortised cost includes bonds payable, bank overdraft and other liabilities consisting of interest and other payables.

#### 3.5.3 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a mid-price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

#### 3.5.4 Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

#### 3.5.5 Impairment

##### **Non-derivative financial assets**

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 by Moody's.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

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### 3 Material accounting policies (continued)

#### 3.5 Financial assets and financial liabilities (continued)

##### 3.5.5 Impairment (continued)

###### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

###### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

###### *Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

###### **Non-financial assets**

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or cash-generating units ("CGUs").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

##### 3.5.6 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

##### 3.5.7 Net gain/(loss) from financial instruments at fair value through profit or loss

Net gain/(loss) from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes on the movement in the fair value of financial assets at fair value through profit and loss and foreign exchange differences.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements

For the period ended 30 June 2024

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### 3 Material accounting policies (continued)

#### 3.5 Financial assets and financial liabilities (continued)

##### 3.5.8 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a current legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

#### 3.6 Redeemable shares

The Company classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Sub-funds issue redeemable shares on every dealing day defined as 31 December of each year, which are redeemable at the holder's option on every dealing day as defined above. Such shares are classified as financial liabilities. Redeemable shares can be put back to the Sub-funds at any time for cash equal to a proportionate share of the Sub-funds' net asset value attributable to the share class. The redeemable shares are carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Sub-funds.

Redeemable shares are issued and redeemed at the holder's option at prices based on the Sub-funds' net asset value per share at the time of issue or redemption. The Sub-funds' net asset value per share is calculated by dividing the net assets attributable to the holders of each redeemable share with the total number of outstanding redeemable shares. In accordance with the provisions of the Sub-funds' regulations, investment positions are valued annually on 31 December based on the latest available dealing price for the purpose of determining the net asset value per share for subscriptions and redemptions.

#### 3.7 Taxation

In terms of current Maltese fiscal legislation, collective investment schemes are classified as either 'prescribed' or 'non-prescribed' funds for income tax purposes. A collective investment scheme which declares that the value of its assets situated in Malta is less than eighty-five per cent of the value of its total assets is treated as a non-prescribed fund. On this basis, the Company qualifies as a non-prescribed fund for Maltese income tax purposes. Accordingly, the Company should not be subject to Maltese income tax in respect of the income or gain derived by it, except in respect of any income from immovable property situated in Malta, if any. Capital gains, dividends, interest and any other income from foreign investments held by the Company may nonetheless be subject to tax imposed by the country of origin concerned and any such taxes may not be recoverable by the Company or by the members under Maltese domestic tax law. The sub-funds are not a legal personality, so taxation is applied on the Company, which includes also the sub-funds.

##### *Members resident in Malta*

Capital gains realised by Maltese resident investors on the redemption, liquidation or cancellation of units may be subject to a 15% withholding tax. However, the Maltese resident investors may request the Company not to effect the deduction of the said 15% withholding tax in which case the investor would be required to declare the gains in his income tax return and will be subject to tax at the normal rates of taxes.

##### *Members not resident in Malta*

Any gains accruing to members not resident in Malta upon the transfer of shares (including a redemption) or upon a distribution on a winding-up of the Company should not be subject to tax in Malta subject to certain conditions being satisfied. The transfer of shares (including a redemption) and any distribution on a winding-up of the Company may result in a tax liability for the non-Maltese members according to the tax regime applicable in their respective countries of incorporation, establishment, residence, citizenship, nationality, domicile, or other relevant jurisdiction.

#### 3.8 Segment reporting

The disclosure of segment information is required by those entities whose debt or equity instruments are traded in a public market or that file, or are in the process of filing, their financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

None of the units are listed. Transactions in all units are executed via the transfer agent and the transfer value of executed transactions is determined in accordance with the relevant prospectus of each Sub-fund and is based on the net assets per unit at each valuation date. On the other hand, the Company has debt instruments listed on the Prague and Bratislava Stock Exchanges.

The operations conducted by the Sub-funds of the Company are driven by the acquisition of restitution points as described in note 12. As a result, the Directors determined that whilst there are two Sub-funds, for which segregated financial information is provided in these financial statements, the operations nonetheless constitute a single segment. Accordingly, no further disclosures are required to comply with IFRS 8 *Operating Segments*.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements

For the period ended 30 June 2024

### 4 Format of the financial statements

In terms of Section 3(3) of the Third Schedule of the Companies Act, 1995 (Chapter 386, Laws of Malta), the layout, nomenclature and terminology of the items in these financial statements were adapted to the special nature of the Company. The profit and loss is referred to as the Statement of Comprehensive Income.

### 5 Cash and cash equivalents

Cash and cash equivalents as disclosed in the Statement of Cash Flows comprise cash at bank (demand deposits) and bank overdraft as follows:

|   |                    |             |
|---|--------------------|-------------|
| <b>In EUR</b>                                 | <b>30.06.2024</b>  | 31.12.2023  |
| Founder shareholders – Cash at Bank           | <b>1,780,828</b>   | 649,906     |
| Alpha Quest Balanced Fund – Cash at Bank      | <b>768,989</b>     | 476,351     |
| The Company                                   | <b>2,549,817</b>   | 1,126,257   |
| <b>In EUR</b>                                 | <b>30.06.2024</b>  | 31.12.2023  |
| Alpha Quest Balanced Fund – Bank Overdraft    | <b>(1,746,390)</b> | -           |
| Alpha Quest Opportunity Fund – Bank Overdraft | <b>(5,522,311)</b> | (8,278,052) |
| The Company                                   | <b>(7,268,701)</b> | (8,278,052) |
| <b>Total cash and cash equivalents</b>        | <b>(4,718,884)</b> | (7,151,795) |

### 6 Share capital

The Company's share capital is represented by the Founder Shares. The Founder shares have no nominal value and were issued at EUR 1 each and carry the right to one vote each and shall be the only share class in the Company carrying voting rights.

The "A" Ordinary Shares have no nominal value and were issued at EUR 1 per share and these do not carry any voting rights. A Ordinary Shares, V Ordinary Shares and P Ordinary Shares shall not carry the right to vote, right to participate in any dividends or other distributions of the Company.

As at 30 June 2024, the Company had EUR 1,120 authorised, issued and outstanding share capital comprising of 1,120 fully paid-up shares being subscribed as follows:

|  | <b>Voting Founder<br/>Shares</b> | <b>A Ordinary Shares</b> | <b>V Ordinary Shares</b> | <b>P Ordinary Shares</b> |
|--|----------------------------------|--------------------------|--------------------------|--------------------------|
| <b>Opening Balance</b>                   | <b>1,000</b>                     | <b>100</b>               | <b>10</b>                | <b>10</b>                |
| <b>Add: Issued during<br/>the period</b> | -                                | -                        | -                        | -                        |
| <b>Closing Balance</b>                   | <b>1,000</b>                     | <b>100</b>               | <b>10</b>                | <b>10</b>                |

The total amount of distributions to Founder Shares, "A" Ordinary Shares, "V" Ordinary Shares and "P" Ordinary Shares shall be an amount not exceeding the aggregate of the Management Fee and Performance Fee due under the terms of the Offering Supplements.

During the period under review, the directors declared an interim dividend of EUR 22,532 (2023: EUR 33,986) per share to the holders of 'A' Class shares totaling EUR 2,253,246 (2023: EUR 3,398,565) and EUR 32,870 per share to the holders of 'V' Class shares totaling EUR 328,700, respectively. Dividends amounting to EUR 1,383,719 and EUR 120,700 were paid in May 2024 to 'A' Class Shareholders and the 'V' Class Shareholders, respectively. After the period end, the amount available for dividend declaration is EUR 26,460 (2023: EUR 28,819) per share, totaling to EUR 3,175,224 (2023: EUR 2,881,945).

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 7 Redeemable shares

Redeemable shares outstanding are represented by "Investor Shares" issued for each of the Sub-funds separately. The Investor shares do not carry any voting rights.

The maximum number of authorised investor shares of the Company is five billion (5,000,000,000) shares without any nominal value assigned to them, which may be issued as shares of any class representing the Sub-funds. The movement in the Redeemable shares of the Sub-funds during the period was as follows:

|  | Attributable to unitholders of redeemable shares of: |  |
|--|--|--|
|  | Alpha Quest<br>Balanced Fund<br>No. of shares        | Alpha Quest<br>Opportunity Fund<br>No. of shares |
| Balance at the beginning of the period       | 7,325.89   | 7,000.00   |
| Issue of redeemable shares during the period | 31.35  | -  |
| Balance as at 30 June 2024                   | <u>7,357.24</u>                                      | <u>7,000.00</u>                                  |

The movement in the Redeemable shares of the Sub-funds as at 31 December 2023 was as follows:

|   | Attributable to unitholders of redeemable shares of: |  |
|---|--|--|
|   | Alpha Quest<br>Balanced Fund<br>No. of shares        | Alpha Quest<br>Opportunity Fund<br>No. of shares |
| Balance at the beginning of the year            | 8,067.03   | 7,989.97   |
| Issue of redeemable shares during the year      | 245.86   | -  |
| Redemption of redeemable shares during the year | (987.00)   | (989.97)   |
| Balance as at 31 December 2023                  | <u>7,325.89</u>                                      | <u>7,000.00</u>                                  |

The net asset value per share of the Sub-funds were as follows:

|   | 2024       | 2023       | 2022       |
|---|------------|------------|------------|
| <b>Alpha Quest Balanced Fund</b>                                  |            |            |            |
| Redeemable shares in issue as at end of the period/year           | 7,357.24   | 7,325.89   | 8,067.03   |
| Net asset value of redeemable shares as at end of the period/year | 20,376,556 | 18,108,003 | 15,648,946 |
| Net asset value per share as at end of the period/year            | 2,769.5924 | 2,471.7820 | 1,939.8646 |
| <b>Alpha Quest Opportunity Fund</b>                               |            |            |            |
| Redeemable shares in issue as at end of the period/year           | 7,000.00   | 7,000.00   | 7,989.97   |
| Net asset value of redeemable shares as at end of the period/year | 13,594,529 | 12,715,647 | 12,362,485 |
| Net asset value per share as at end of the period/year            | 1,942.0756 | 1,816.5210 | 1,547.2505 |

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 8 Related party balances and transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

#### *Identity of related parties*

The Company has a related party relationship with its founder shareholder, Joseph Xuereb, with its 'A' class shareholders, Fraternity Capital Limited and Ovidiu Fer and with its directors Mr Joseph Xuereb, Mr Frank Chetcuti Dimech, Prof Simon Grima, Mr Michal Kosac and Mr Ovidiu Fer.

The directors, money laundering reporting officer (MLRO), compliance officer and investment committee members fees are contracted through a company that is owned by one of the directors.

The Company also has a related party relationship with its 'V' class shareholder, Vlad Neacsu, with its 'P' class shareholder, Pavol Kosac and with other companies with common director or owned by a Company's director.

Mr Joseph Xuereb and Mr Michal Kosac are also part of the Investment Committee of the Company.

The related party transactions entered during the period 1 January 2024 to 30 June 2024 are mentioned below:

#### Alpha Quest Balanced Fund

| Entity/ Related party / Relationship | Nature  | Transactions       |                                | Outstanding balance 31.12.2023 | Outstanding balance 31.12.2023 |
|--------------------------------------|---|--------------------|--------------------------------|--------------------------------|--------------------------------|
|                                      |   | Amounts 30.06.2024 | Outstanding balance 30.06.2024 |                                |                                |
| Holders of redeemable shares         | Net asset attributable to holders of redeemable shares  | 2,268,553          | 20,376,556                     | 3,903,008                      | 18,108,003                     |
|                                      | Redemption of redeemable shares during the period/year  | -                  | -                              | (2,143,951)                    | -                              |
|                                      | Issue of redeemable shares during the period/year   | -                  | -                              | 700,000                        | -                              |
| Alpha Quest Funds SICAV              | Amounts transferred between the sub-funds and the founder shareholders, including the purchase and redemption of restitution points | 1,091,493          | 11,915,745                     | 2,481,676                      | 10,824,252                     |
|                                      | Performance fees  | 2,017,568          | 10,498,496                     | 3,394,317                      | 9,892,288                      |
|                                      | Management fees   | 416,400            | 3,213,407                      | 772,845                        | 2,797,007                      |
| Alpha Quest Opportunity Fund         | Transfers between the sub-funds   | -                  | 2,641,169                      | (2,838,482)                    | 2,641,169                      |
|                                      | Receipt of restitution points   | -                  | -                              | 2,950,179                      | -                              |
| Directors/ Shareholders              | Purchase of restitution points  | -                  | 25,578                         | 105,354                        | 21,298                         |
|                                      | Directors and investment committee fees   | 8,435              | 8,435                          | 13,795                         | 8,435                          |
|                                      | Due to A class shareholder for fees paid on behalf of the Sub-fund  | -                  | 5,284                          | 2,800                          | 5,287                          |
|                                      | Directors' insurance fees   | 4,398              | (1,423)                        | 5,877                          | 2,975                          |
|                                      | MLRO and Compliance fees expense  | 1,000              | 1,000                          | 2,000                          | 1,000                          |
|                                      | Issuance of loan receivable   | -                  | -                              | (1,401,124)                    | -                              |
|                                      | Interest income on loan   | -                  | -                              | 25,540                         | -                              |
| Alpha Quest Opportunity Fund         | <b>Redemption from:</b><br>CZK Bond issued by a related entity  | -                  | -                              | (577,081)                      | -                              |
|                                      | <b>Interest:</b><br>CZK bond issued by a related entity   | -                  | -                              | 4,331                          | -                              |

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 8 Related party balances and transactions (continued)

#### Alpha Quest Opportunity Fund

| Entity/ Related party / Relationship | Nature   | Transactions       |                                | Outstanding balance 31.12.2023 |            |
|--------------------------------------|--|--------------------|--------------------------------|--------------------------------|------------|
|                                      |  | Amounts 30.06.2024 | Outstanding balance 30.06.2024 |                                |            |
| Alpha Quest Funds SICAV              | Amounts receivable by the sub-funds from the founder shareholders, including the purchase and redemption of restitution points | -                  | 3,155,115                      | 426,619                        | 3,159,617  |
|                                      | Performance Fees   | 292,961            | 1,972,047                      | 88,271                         | 1,772,146  |
|                                      | Management Fees  | 104,365            | 782,426                        | 177,312                        | 659,602    |
| Alpha Quest Balanced Fund            | Transfers between the sub-funds  | -                  | 2,641,169                      | 2,838,482                      | 2,641,169  |
|                                      | Receipt of restitution points  | -                  | -                              | (2,950,179)                    | -          |
|                                      | Redemption of fund investment  | -                  | -                              | 2,143,951                      | -          |
|                                      | Loss from redemption of fund investment  | -                  | -                              | (171,172)                      | -          |
| Directors/ Shareholders              | Investment advisory fee payable  | 50,000             | -                              | -                              | 50,000     |
|                                      | Directors and investment committee fees  | 8,435              | 8,435                          | 13,795                         | 8,435      |
|                                      | Directors insurance fees   | 4,398              | (1,423)                        | 5,877                          | 2,975      |
|                                      | MLRO and Compliance fees expense   | 1,000              | 1,000                          | 2,000                          | 1,000      |
|                                      | Research fees  | 100,000            | 100,000                        | 200,000                        | -          |
| Holders of redeemable shares         | Net increase in net asset attributable to holders of redeemable shares   | 878,882            | 13,594,529                     | 1,884,895                      | 12,715,647 |
|                                      | Subscription and redemption of investment in bonds at FVTPL  | 737,325            | -                              | 737,325                        | 737,325    |
|                                      | Interest income earned from bonds at FVTPL   | 28,675             | -                              | 32,454                         | 28,675     |
|                                      | Redemption of redeemable shares during the year  | -                  | -                              | (1,531,732)                    | -          |

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 8 Related party balances and transactions (continued)

#### Alpha Quest Fund SICAV

| Entity/ Related party / Relationship | Nature  | Transactions       |                                | Outstanding balance 31.12.2023 |
|--------------------------------------|---|--------------------|--------------------------------|--------------------------------|
|                                      |   | Amounts 30.06.2024 | Outstanding balance 30.06.2024 |                                |
| Shareholder                          | Dividends declared to A ordinary shares       | 2,253,246          | -                              | 3,398,565                      |
|                                      | Dividends declared to V ordinary shares       | 328,700            | -                              | -                              |
|                                      | Dividends advanced to A and V ordinary shares | -                  | -                              | -                              |
|                                      | Issuance of V and P ordinary shares           | -                  | -                              | 20                             |
| Alpha Quest Balanced Fund            | Management and performance fee                | 2,433,968          | 13,711,903                     | 4,158,548                      |
| Alpha Quest Opportunity Fund         | Management and performance fee                | 397,326            | 2,754,473                      | 274,197                        |
|                                      |   |                    |                                | 12,689,295                     |
|                                      |   |                    |                                | 2,450,206                      |

### 9 Financial Risk Review

The Company is established as an investment company with variable share capital (SICAV) which implies that financial instruments are extensively used in the course of its routine business. The type of financial instruments in which the Company may invest is regulated by its Offering Memorandum and Offering Supplements investments restrictions.

The Company is an investment vehicle designed to specifically achieve different investment objectives through its sub-funds.

#### Investment objective

The investment objective of both Sub-Funds is to achieve capital appreciation primarily through investments in points representing entitlement to immovable property located in Romania with the purpose of redeeming the points so acquired into cash or re-selling the immovable property so acquired. Such investments are derived from indemnification decisions issued by the Romanian Government – National Commission for Real Estate Indemnifications, based on Law no. 165/2013 (“the Romanian Law”) regarding the measures for the completion of the restitution process, in kind or in equivalent, of the properties unlawfully seized during the Romanian communist regime, as subsequently amended.

The Romanian law provides that where restitution in kind to the former owners is not possible, the restitution request is settled by granting compensation in the form of points (hereinafter “Points”), with each point having a value of one Romanian Leu (RON 1). Starting from 1 January 2017, persons obtaining such points may use them in order to acquire immovable property from a National Fund by public auction or, for a period of five (5) years, to redeem them into cash up to a maximum of 20% of the nominal value of Points per annum. There is no time-limit for utilizing Points to acquire immovable property by public auction.

The Points may be acquired on the secondary market from existing owners through a notarial deed executed and registered in Romania.

If Points are redeemed at public auctions, the Sub-fund (through the Company) will not enter into any co-ownership deal and will only acquire individual properties in their entirety. Nonetheless, the objective of the sub-funds is to redeem points for cash. No Points will be acquired from any of the members of the Investment Committee and/ or any related parties to the Company.

The Sub-funds may also invest in government and corporate bonds in developed markets. The Sub-funds (through the Company) may also enter into agreements with third party banks that desire to issue fixed income products linked to the Sub-fund’s underlying assets and issue fixed income securities. The Sub-funds may from time to time invest unutilized cash in bonds and currency swaps. Such investments may be with various entities in various markets or industries and in different geographical locations, without limitation. Depending on market conditions, the Sub-fund may also from time to time invest in cash or money market instruments for liquidity purposes.

The Sub-funds are also exposed to market, credit and liquidity risks. This note presents information about the sub-fund’s exposure to these risks, the objectives, policies and process for measuring and managing risk and the Company’s management of capital. Further quantitative disclosures are included throughout these financial statements.



# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 9 Financial Risk Review (continued)

#### 9.1 Market risk

Market risk arises when changes in foreign exchange rates or equity prices affect the positions held by the Company. The Company does not regard either interest rate or commodity risks as material in its case. The Company invests neither in securities that exhibit direct interest rate sensitivity nor in commodities.

##### Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting financial instruments traded in the market. All securities present a risk of loss of capital.

The Sub-funds are not exposed to market price risk arising from their investments in the Romanian restitution points. The sub-funds invest in restitution points which are not subject to price risk. The sub-funds also hold investments in debt securities, which was exposed to price risk.

As at 30 June 2024 and 31 December 2023, the fair value of the Equity securities exposed to price risk were as follows:

|                   | Attributable to unitholders of<br>redeemable shares of: |                                    | Attributable to unitholders of<br>redeemable shares of: |                                    |
|-------------------|---|------------------------------------|---|------------------------------------|
|                   | Alpha Quest<br>Balanced<br>Fund                         | Alpha Quest<br>Opportunity<br>Fund | Alpha Quest<br>Balanced<br>Fund                         | Alpha Quest<br>Opportunity<br>Fund |
|                   | 30.06.2024  | 30.06.2024                         | 31.12.2023  | 31.12.2023                         |
|                   | EUR   | EUR                                | EUR   | EUR                                |
| Equity securities | <b>3,164,437</b>  | <b>4,168,689</b>                   | -   | 4,473,937                          |
|                   | <b>3,164,437</b>  | <b>4,168,689</b>                   | -   | 4,473,937                          |

##### Sensitivity Analysis

As of 30 June 2024, had prices increased/decreased by 1% with all other variables held constant, the increase/decrease in the net assets attributable to holders of redeemable participating shares would have been EUR (+31,644/-31,644) (2023: EUR ((+Nil/-Nil)) for Alpha Quest Balanced Fund and EUR (+41,687/-41,687) (2023: EUR ((+44,739/-44,739)) for Alpha Quest Opportunity Fund.

##### Currency risk

The Company invests in assets, which can be denominated in currencies other than Euro, its functional currency. It is exposed to risks that the exchange rate of Euro against other currencies may change in a manner that has an adverse effect on its Net Asset Value.

The Company's total net exposure to foreign currency exchange rates used against Euro were 0.2009, 0.0399 and 0.9331 (31.12.2023: 0.2010, 0.0405 and 0.9040) for Romanian Lei, Czech Koruna and United States Dollar, respectively, at the reporting date were as follows:

##### All amounts stated in EUR for the Alpha Quest Balanced Fund:

#### 30 June 2024

| Currency                   | Romanian Lei      | Czech Koruna       | United States Dollar |
|----------------------------|-------------------|--------------------|----------------------|
| Cash and Cash equivalents  | 4,420,024         | 6,901              | 12,815               |
| Financial Assets at FVTPL  | 3,164,437         | -                  | -                    |
| Restitution points         | 53,574,030        | -                  | -                    |
| Bonds payable              | -                 | (7,982,915)        | -                    |
| Due to A class Shareholder | (5,284)           | -                  | -                    |
| Intercompany balances      | 3,476,078         | 161,654            | -                    |
| <b>Total net exposure</b>  | <b>64,629,284</b> | <b>(7,814,360)</b> | <b>12,815</b>        |
| <b>5% of exposure</b>      | <b>3,231,464</b>  | <b>(390,718)</b>   | <b>641</b>           |

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 9 Financial Risk Review (continued)

#### 9.1 Market risk (continued)

*Currency risk (continued)*

**All amounts stated in EUR for the Alpha Quest Balanced Fund (continued):**

31 December 2023

| Currency                              | Romanian Lei      | Czech Koruna       | United States Dollar |
|---------------------------------------|-------------------|--------------------|----------------------|
| Cash and Cash equivalents             | 28,982            | 353,622            | 12,416               |
| Loans and interest receivable         | -                 | 10,195             | -                    |
| Financial Assets at FVTPL             | -                 | 369,975            | -                    |
| Restitution Points                    | 46,866,849        | -                  | -                    |
| Intercompany balances                 | 2,381,378         | 164,011            | -                    |
| Due to A class Shareholder            | (5,287)           | -                  | -                    |
| Bonds Payable                         | -                 | (8,320,160)        | -                    |
| Receivable from Government of Romania | 17,060,856        | -                  | -                    |
| <b>Total net exposure</b>             | <b>66,332,778</b> | <b>(7,422,357)</b> | <b>12,416</b>        |
| <b>5% of exposure</b>                 | <b>3,316,639</b>  | <b>(371,118)</b>   | <b>621</b>           |

**All amounts stated in EUR for the Alpha Quest Opportunity Fund:**

30 June 2024

| Currency                  | Romanian Lei      | Czech Koruna      | United States Dollar |
|---------------------------|-------------------|-------------------|----------------------|
| Bank overdraft            | -                 | (6,866,308)       | -                    |
| Cash and Cash equivalents | 679,688           | -                 | 2,764                |
| Interest receivable       | -                 | 495,705           | -                    |
| Financial Assets at FVTPL | 1,892,162         | 16,600,918        | -                    |
| Intercompany balances     | 9,023,985         | 7,983             | -                    |
| <b>Total net exposure</b> | <b>11,595,834</b> | <b>10,238,298</b> | <b>2,764</b>         |
| <b>5% of exposure</b>     | <b>579,792</b>    | <b>511,915</b>    | <b>138</b>           |

31 December 2023

| Currency                  | Romanian Lei      | Czech Koruna     | United States Dollar |
|---------------------------|-------------------|------------------|----------------------|
| Bank overdraft            | -                 | (9,723,149)      | -                    |
| Cash and Cash equivalents | 574,376           | -                | 2,677                |
| Interest receivable       | -                 | 321,562          | -                    |
| Financial Assets at FVTPL | 2,004,248         | 18,314,025       | -                    |
| Intercompany balances     | 9,029,217         | 8,099            | -                    |
| <b>Total net exposure</b> | <b>11,607,841</b> | <b>8,920,537</b> | <b>2,677</b>         |
| <b>5% of exposure</b>     | <b>580,392</b>    | <b>446,027</b>   | <b>134</b>           |

**All amounts stated in EUR for the Founder Shareholders**

30 June 2024

| Currency                  | Romanian Lei        | Czech Koruna     |
|---------------------------|---------------------|------------------|
| Cash and Cash equivalents | 1,776,912           | 2,450            |
| Intercompany balances     | (12,500,063)        | (169,637)        |
| <b>Total net exposure</b> | <b>(10,723,151)</b> | <b>(167,186)</b> |
| <b>5% of exposure</b>     | <b>(536,158)</b>    | <b>(8,359)</b>   |

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

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### 9 Financial Risk Review (continued)

#### 9.1 Market risk (continued)

*Currency risk (continued)*

**All amounts stated in EUR for the Founder Shareholders (continued)**

31 December 2023

| Currency                  | Romanian Lei        | Czech Koruna     |
|---------------------------|---------------------|------------------|
| Cash and Cash equivalents | 646,703             | 2,486            |
| Intercompany balances     | (11,410,596)        | (172,110)        |
| <b>Total net exposure</b> | <b>(10,763,893)</b> | <b>(169,624)</b> |
| <b>5% of exposure</b>     | <b>(538,195)</b>    | <b>(8,481)</b>   |

As at 30 June 2024 and 31 December 2023, had the above currencies strengthened against Euro by 5% with all other variables held constant, the increase in net assets attributable to redeemable shareholders and in the equity for Founder shareholders resulting from operations would have been increased by the amounts shown in the above tables.

A 5% weakening of the above currencies against Euro would have had an equal but opposite effect on the increase in net assets attributable to redeemable shareholders and in the equity for Founder shareholders resulting from operations assuming all the other variables are held constant.

#### 9.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from debt securities held, loans receivable, Receivable from Government of Romania, cash and cash equivalents and other receivables. For risk management reporting purposes, the Company considers and aggregates all elements of credit risk exposure (such as individual obligor default risk, country risk and sector risk).

The Company's policy over credit risk is largely concentrated within the Government of Romania which is perceived as having a low risk of default. Credit risk is monitored on a quarterly basis by the Board of Directors and Investment Committee in accordance with the policies and procedures in place. The Company's activities may give rise to settlement risk. 'Settlement risk' is the risk of loss due to the failure of a counterparty's ability to honour its obligations to deliver cash as contractually and legally agreed upon.

##### Loans and receivable

Loans and receivables of Alpha Quest Opportunity Fund are from a third party. The effect of expected credit loss is considered insignificant due to its short-term nature and there being no history of default.

##### Cash and cash equivalents

The cash and cash equivalents of the Company are held with J&T Banka and Banca Comerciala Romana S.A. The credit rating for Banca Comerciala Romana S.A. is Baa1 by Moody's whereas J&T Banka is Baa2 rated by a credit rating agency.

##### Debt securities held

The debt securities held by the Sub-funds, including those held in Alpha Quest Balanced Fund, are all unrated.

##### Maximum exposure to credit risk

The carrying amount of financial assets recorded in the financial statements, which is net of any impairment losses, represents the Sub-funds' maximum exposure to credit risk without taking account of the value of any collateral obtained.

As at reporting date, the Sub-funds' debt securities exposures were concentrated with financial industry.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 9 Financial Risk Review (continued)

#### 9.2 Credit risk (continued)

##### 9.2.1 Amounts arising from ECL and Recoverability of receivables under restitution points

Impairment on cash and cash equivalents and loans and interest receivables have been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that these exposures have low credit risk based on the external credit ratings and/or financial positions of the counterparties.

The Company monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. During the period ended 30 June 2024, the Company did not recognise an impairment allowance nor did this condition change during the year ending 31 December 2023 as such impairment was considered to be immaterial.

The Company acquires Restitution points at a discount and values the asset at amortised cost. The Board of Directors monitors each and every contract with the Romanian Government to ensure as much as possible that payments are made on time by the Romanian Government. The Government of Romania is currently rated as BBB- by Fitch Agency.

To this date, all restitution points have been received on and when due, and successfully cashed by the Company. The Company continues to consider the Government of Romania as having "extremely low credit risk" at the reporting date of these financial statements.

The following table illustrates debt securities classified as financial asset at FVTPL of Alpha Quest Balanced Fund and Alpha Quest Opportunity Fund by credit quality and industry:

|                 | <b>Alpha Quest<br/>Balanced fund<br/>30.06.2024<br/>EUR</b> | Alpha Quest<br>Balanced fund<br>31.12.2023<br>EUR | <b>% of NAV<br/>30.06.2024</b> | % of NAV<br>31.12.2023 |
|-----------------|---|---|--------------------------------|------------------------|
| <b>Rating</b>   |   |   |                                |                        |
| Not Rated       | <b>7,802,660</b>  | 369,975   | <b>38.29%</b>                  | 2.04%                  |
| <b>Industry</b> |   |   |                                |                        |
| Other financial | <b>7,802,660</b>  | 369,975   | <b>38.29%</b>                  | 2.04%                  |

|                 | <b>Alpha Quest<br/>Opportunity<br/>fund<br/>30.06.2024<br/>EUR</b> | Alpha Quest<br>Opportunity<br>fund<br>31.12.2023<br>EUR | <b>% of NAV<br/>30.06.2024</b> | % of NAV<br>31.12.2023 |
|-----------------|--|---|--------------------------------|------------------------|
| <b>Rating</b>   |  |   |                                |                        |
| Not Rated       | <b>16,306,191</b>  | 15,844,336  | <b>119.95%</b>                 | 124.61%                |
| <b>Industry</b> |  |   |                                |                        |
| Other financial | <b>16,306,191</b>  | 15,844,336  | <b>119.95%</b>                 | 124.61%                |

#### 9.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's liquidity position is monitored on a regular basis. Redeemable shares are redeemed on demand at the holder's option provided that the redemption request is received by the respective Sub-fund three business days before the relevant dealing day, and if accepted by the Company, they will be dealt on every dealing day which is defined as 31 December of each year.

The Directors may limit the total number of the redeemable shares which may be redeemed on any dealing day to 10% of the outstanding redeemable shares in a particular Sub-fund. In the event that such a limit is reached at any point during a dealing day, the directors may defer any further redemption instructions received during that dealing day, to such time as the total number of redemption applications received on that dealing day is re-established at less than 10% of the outstanding Redeemable Shares in the particular Sub-fund.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 9 Financial risk review (continued)

#### 9.3 Liquidity risk (continued)

The balance of such Redeemable Shares that are not redeemed on that dealing day because of the limit established above will be redeemed on the next dealing day, subject to the directors' same power of deferral until the original redemption instructions have been satisfied. Redemption requests which are deferred to the following dealing day will be given priority over any redemption requests received in relation to the said dealing day.

#### Company

|   | Up to 3<br>months | 3 months<br>to 1 year | More than 1<br>year | Total             |
|---|-------------------|-----------------------|---------------------|-------------------|
|   | EUR               | EUR                   | EUR                 | EUR               |
| <b>30.06.2024</b>                                       |                   |                       |                     |                   |
| Bank overdraft  | 7,268,701         | -                     | -                   | 7,268,701         |
| Interest payable  | 1,079,207         | -                     | -                   | 1,079,207         |
| Administration fees payable                             | 12,722            | -                     | -                   | 12,722            |
| Audit fees payable                                      | -                 | 29,722                | -                   | 29,722            |
| Due to "A" Class Shareholders                           | 5,284             | -                     | -                   | 5,284             |
| Other payables  | 10,574            | -                     | -                   | 10,574            |
| Bonds issued  | -                 | -                     | 47,982,915          | 47,982,915        |
| Net assets attributable to holders of redeemable shares | -                 | -                     | 33,971,085          | 33,971,085        |
| <b>Total</b>  | <b>8,376,488</b>  | <b>29,722</b>         | <b>81,954,000</b>   | <b>90,360,210</b> |
|   |                   |                       |                     |                   |
| <b>31.12.2023</b>                                       |                   |                       |                     |                   |
| Bank overdraft  | 8,278,052         | -                     | -                   | 8,278,052         |
| Interest payable  | 298,652           | -                     | -                   | 298,652           |
| Administration fees payable                             | 9,900             | -                     | -                   | 9,900             |
| Audit fees payable                                      | -                 | 52,156                | -                   | 52,156            |
| Due to "A" Class Shareholders                           | 5,287             | -                     | -                   | 5,287             |
| Investment advisory fee payable                         | 50,000            | -                     | -                   | 50,000            |
| Other payables  | 8,458             | -                     | -                   | 8,458             |
| Bonds issued  | -                 | -                     | 48,099,285          | 48,099,285        |
| Net assets attributable to holders of redeemable shares | -                 | -                     | 30,823,650          | 30,823,650        |
| <b>Total</b>  | <b>8,650,349</b>  | <b>52,156</b>         | <b>78,922,935</b>   | <b>87,625,440</b> |

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 9 Financial risk review (continued)

#### 9.3 Liquidity risk (continued)

##### Alpha Quest Balanced Fund

The Sub-Fund offered on the Bratislava Stock Exchange a private placement bond of EUR 40,000,000 (2023: EUR 40,000,000). The bond is unsecured, its maturity date is on 15 December 2025 and has fixed annual coupon of 5%.

The Sub-fund also offered on the Prague Stock Exchange an unsecured Bond with maturity date on 22 June 2026 with a yield of 5.25% p.a. in the nominal value of CZK 200,000,000.

The Sub-Fund is the owner of Romanian Restitution Certificates ("points") issued by the Romanian State. In January 2017, Romania started the pay-out of the par value of points (1 point = 1 RON) in five annual payments (20% of the par value each year, i.e. 0.20 RON per point). Proceeds of the payments made by the State will be used to satisfy the coupon payments required to be made by the issuer.

| 30.06.2024  | Up to 3 months    | 3 months to 1 year | More than 1 year  | Total             |
|---|-------------------|--------------------|-------------------|-------------------|
| Bank overdraft  | 1,746,390         | -                  | -                 | 1,746,390         |
| Interest payable  | 1,079,207         | -                  | -                 | 1,079,207         |
| Administration fees payable                             | 6,361             | -                  | -                 | 6,361             |
| Audit fees payable                                      | -                 | 14,861             | -                 | 14,861            |
| Management fees payable                                 | 3,213,407         | -                  | -                 | 3,213,407         |
| Accrued performance fees                                | -                 | 2,017,568          | -                 | 2,017,568         |
| Performance fees payable                                | 8,480,928         | -                  | -                 | 8,480,928         |
| Due to "A" Class Shareholders                           | 5,284             | -                  | -                 | 5,284             |
| Other payables  | 5,327             | -                  | -                 | 5,327             |
| Bonds issued  | -                 | -                  | 47,982,915        | 47,982,915        |
| Net assets attributable to holders of redeemable shares | -                 | -                  | 20,376,556        | 20,376,556        |
| <b>Total</b>  | <b>14,536,904</b> | <b>2,032,429</b>   | <b>68,359,471</b> | <b>84,928,804</b> |

| 31.12.2023  | Up to 3 months    | 3 months to 1 year | More than 1 year  | Total             |
|---|-------------------|--------------------|-------------------|-------------------|
| Interest payable  | 298,652           | -                  | -                 | 298,652           |
| Administration fees payable                             | 4,950             | -                  | -                 | 4,950             |
| Audit fees payable                                      | -                 | 20,812             | -                 | 20,812            |
| Management fees payable                                 | 2,797,007         | -                  | -                 | 2,797,007         |
| Performance fees payable                                | 9,892,288         | -                  | -                 | 9,892,288         |
| Due to "A" Class Shareholders                           | 5,287             | -                  | -                 | 5,287             |
| Other payables  | 4,289             | -                  | -                 | 4,289             |
| Bonds issued  | -                 | -                  | 48,099,285        | 48,099,285        |
| Net assets attributable to holders of redeemable shares | -                 | -                  | 18,108,003        | 18,108,003        |
| <b>Total</b>  | <b>13,002,473</b> | <b>20,812</b>      | <b>66,207,288</b> | <b>79,230,573</b> |

##### Alpha Quest Opportunity Fund

The sub-Fund's liquidity position is monitored on a regular basis as mentioned in the above paragraph.

| 30.06.2024  | Up to 3 months    | 3 months to 1 year | More than 1 year  | Total             |
|---|-------------------|--------------------|-------------------|-------------------|
| Bank overdraft  | 5,522,311         | -                  | -                 | 5,522,311         |
| Administration fees payable                             | 6,361             | -                  | -                 | 6,361             |
| Audit fees payable                                      | -                 | 14,861             | -                 | 14,861            |
| Management fees payable                                 | 782,426           | -                  | -                 | 782,426           |
| Accrued performance fees                                | -                 | 292,961            | -                 | 292,961           |
| Performance fees payable                                | 1,679,086         | -                  | -                 | 1,679,086         |
| Other payables  | 5,247             | -                  | -                 | 5,247             |
| Due to Sub-funds  | 2,642,017         | -                  | -                 | 2,642,017         |
| Net assets attributable to holders of redeemable shares | -                 | -                  | 13,594,529        | 13,594,529        |
| <b>Total</b>  | <b>10,637,448</b> | <b>307,822</b>     | <b>13,594,529</b> | <b>24,539,799</b> |

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 9 Financial risk review (continued)

#### 9.3 Liquidity risk (continued)

##### Alpha Quest Opportunity Fund (continued)

| 31.12.2023   | Up to 3 months    | 3 months to 1<br>year | More than 1<br>year | Total             |
|--|-------------------|-----------------------|---------------------|-------------------|
| Bank overdraft   | 8,278,052         | -                     | -                   | 8,278,052         |
| Administration fees payable                                | 4,950             | -                     | -                   | 4,950             |
| Audit fees payable   | -                 | 31,344                | -                   | 31,344            |
| Management fees payable                                    | 678,060           | -                     | -                   | 678,060           |
| Performance fees payable                                   | 1,772,146         | -                     | -                   | 1,772,146         |
| Investment advisory fee payable                            | 50,000            | -                     | -                   | 50,000            |
| Other payables   | 4,169             | -                     | -                   | 4,169             |
| Due to Sub-funds   | 2,641,169         | -                     | -                   | 2,641,169         |
| Net assets attributable to holders of<br>redeemable shares | -                 | -                     | 12,715,647          | 12,715,647        |
| <b>Total</b>   | <b>13,428,546</b> | <b>31,344</b>         | <b>12,715,647</b>   | <b>26,175,537</b> |

#### 9.4 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital and to comply with the capital resource requirements required by the Malta Financial Services Authority ("MFSA"). In order to maintain or adjust the capital structure, it may issue new shares or adjust the amount of dividends paid to the shareholder.

The Company's equity, as disclosed in the statement of financial position, constitutes its capital. It maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of its activities, the capital level as at the end of the reporting period is deemed adequate by the Directors.

### 10 Fair value information

#### Fair value hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

#### 30 June 2024

| Sub-Funds                          | Currency | Debt<br>Securities<br>held | Forward<br>contracts | Equity    | Level 1   | Level 2    | Level 3 |
|------------------------------------|----------|----------------------------|----------------------|-----------|-----------|------------|---------|
| Alpha Quest<br>Balanced Fund       | EUR      | 7,802,660                  | 911,424              | 3,164,437 | 3,164,437 | 8,714,084  | -       |
| Alpha Quest<br>Opportunity<br>Fund | EUR      | 16,306,191                 | -                    | 4,168,689 | 4,168,689 | 16,306,191 | -       |

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 10 Fair value information (continued)

*Fair value hierarchy (continued)*

31 December 2023

| Sub-funds                    | Currency | Debt Securities held | Forward contracts | Equity    | Level 1   | Level 2    | Level 3 |
|------------------------------|----------|----------------------|-------------------|-----------|-----------|------------|---------|
| Alpha Quest Balanced Fund    | EUR      | 369,975              | 948,003           | -         | -         | 1,317,978  | -       |
| Alpha Quest Opportunity Fund | EUR      | 15,844,336           | -                 | 4,473,937 | 4,473,937 | 15,844,336 | -       |

As at 30 June 2024, the fair value of the bonds issued in Alpha Quest Balanced Fund amounted to EUR 47,910,627 (31.12.2023: EUR 47,580,128). This value is a level 2 under the fair value hierarchy. The fair values of other financial assets and liabilities approximate their respective carrying amount because of their short-term nature. There was no transfer between the level of securities during the period.

### 11 Financial assets at fair value through profit or loss

As at 30 June 2024 and 31 December 2023, Financial assets at fair value through profit of loss consist of the following:

| In EUR            | Attributable to unitholders of redeemable shares of: |                              | Attributable to unitholders of redeemable shares of: |                              |
|-------------------|--|------------------------------|--|------------------------------|
|                   | Alpha Quest Balanced Fund                            | Alpha Quest Opportunity Fund | Alpha Quest Balanced Fund                            | Alpha Quest Opportunity Fund |
|                   | <b>30.06.2024</b>                                    | <b>30.06.2024</b>            | 31.12.2023   | 31.12.2023                   |
| Debt securities   | 7,802,660  | 16,306,191                   | 369,975  | 15,844,336                   |
| Equity securities | 3,164,437  | 4,168,689                    | -  | 4,473,937                    |
| Forward contracts | 911,424  | -                            | 948,003  | -                            |
|                   | <b>11,878,521</b>                                    | <b>20,474,880</b>            | <b>1,317,978</b>                                     | <b>20,318,273</b>            |

#### In EUR

|                   | The Company       | The Company       |
|-------------------|-------------------|-------------------|
|                   | <b>30.06.2024</b> | 31.12.2023        |
| Debt securities   | 24,108,851        | 16,214,311        |
| Equity securities | 7,333,126         | 4,473,937         |
| Forward contracts | 911,424           | 948,003           |
|                   | <b>32,353,401</b> | <b>21,636,251</b> |

The debt securities consist of corporate bonds with coupon rates of 0.00% to 5.50% (31.12.2023: 0.00% to 5.70%) for Alpha Quest Balanced Fund and 0.00% to 5.90% (31.12.2023: 0.00% to 5.90%) for Alpha Quest Opportunity Fund.

|                                   | The Company       | Alpha Quest Balanced fund | Alpha Quest Opportunity fund |
|-----------------------------------|-------------------|---------------------------|------------------------------|
|                                   | <b>30.06.2024</b> | <b>30.06.2024</b>         | <b>30.06.2024</b>            |
| <b>Realised gain on:</b>          |                   |                           |                              |
| - equities                        | 262,757           | 17,583                    | 245,174                      |
| - bonds                           | 127,612           | 14,911                    | 112,701                      |
|                                   | <b>390,369</b>    | <b>32,494</b>             | <b>357,875</b>               |
| <b>Unrealised gain/(loss) on:</b> |                   |                           |                              |
| - equities                        | 130,321           | 226,031                   | (95,710)                     |
| - bonds                           | 1,060,137         | 3,024                     | 1,057,113                    |
| - forward contracts               | (36,578)          | (36,578)                  | -                            |
|                                   | <b>1,153,880</b>  | <b>192,477</b>            | <b>961,403</b>               |
|                                   | <b>1,544,249</b>  | <b>224,971</b>            | <b>1,319,278</b>             |



# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 11 Financial assets and liabilities at fair value through profit or loss (continued)

|   | The Company        | Alpha Quest<br>Balanced fund         | Alpha Quest<br>Opportunity fund         |            |
|---|--------------------|--------------------------------------|---|------------|
|   | 30.06.2023         | 30.06.2023                           | 30.06.2023                              |            |
| <b>Realised gain/(loss) on:</b>   |                    |                                      |   |            |
| - equities  | 744,348            | 609,927                              | 134,421                                 |            |
| - bonds   | (5,001,111)        | (1,302,192)                          | (3,698,919)                             |            |
| - fund investment   | 171,172            | -                                    | 171,172                                 |            |
|   | <u>(4,085,591)</u> | <u>(692,265)</u>                     | <u>(3,393,326)</u>                      |            |
| <b>Unrealised gain/(loss) on:</b>   |                    |                                      |   |            |
| - equities  | 35,816             | (264,004)                            | 299,820                                 |            |
| - bonds   | 4,913,861          | 1,947,418                            | 2,966,443                               |            |
| - fund investment   | (171,172)          | -                                    | (171,172)                               |            |
| - forward contracts   | 395,046            | 395,046                              | -                                       |            |
|   | <u>5,173,551</u>   | <u>2,078,460</u>                     | <u>3,095,091</u>                        |            |
|   | <u>1,087,960</u>   | <u>1,386,195</u>                     | <u>(298,235)</u>                        |            |
|   |                    | <b>Alpha Quest<br/>Balanced fund</b> | <b>Alpha Quest Opportunity<br/>fund</b> |            |
| Interest Income calculated using the effective interest method on financial assets carried at amortised cost: | <b>30.06.2024</b>  | 30.06.2023                           | <b>30.06.2024</b>                       | 30.06.2023 |
|   | <b>EUR</b>         | EUR                                  | <b>EUR</b>                              | EUR        |
| Loans and Advances  | <b>61,639</b>      | 34,746                               | <b>86,795</b>                           | 2,044      |
| Bonds   | <b>12,983</b>      | 146,932                              | <b>432,796</b>                          | 325,448    |
| Total (Note 15)   | <b>74,622</b>      | 181,678                              | <b>519,591</b>                          | 327,492    |

### 12 Restitution points

The Restitution points are the result of Law no. 165/2013 passed by the Romanian Parliament on April 2013, whereby it moves to compensation in the form of issuing points that can be used to purchase auctioned property confiscated during the Communist regime or redeemed for cash. The holder of the points must undergo a restitution process to exchange the points for the earmarked property or through a compensation process if restitution in kind is not possible.

The measurement basis chosen for the valuation of the Restitution Points held by the Sub-funds was the discounted value approach, as this was deemed to be the only applicable approach given the characteristics of the assets and the Sub-funds' intention to enjoy the economic benefits from the assets by way of redeeming them through forward claims against the Romanian State which will be compensated in cash, over the next five years in equal tranches of 20% of the total number of points it owns. It was also assumed that such claims shall be made at the beginning of each year, no later than 1 February of the respective year with cash received in 180 days after registering the claim with the National Authority for Property Restitution ("ANRP"), under the provisions of the Romanian Law.

To estimate the discounted value of the assets, the discounted cash flow method was applied. To derive the present value of the cash flows arising from the compensation of the points as mentioned above, it was considered that the appropriate discount rate should be the effective interest rate and would result in the recognition of income from restitution points recognized in statement of comprehensive income.

Following the legal notice issued on November 17, 2023 by the Government of Romania to notify restitution point owners that all payment titles due in 2023 will be kept on hold, that payments will resume from April 2024 and that all payment titles issuance will be halted until April 2024, the Ministry of Finance from the Government of Romania issued all the payment titles owned by Alpha quest balanced fund during the month of April 2024. During the period, the Company did not receive any repayments related to 2024 and expect some delays following issuance of Ordinance no. 107/2024 by the Government of Romania on the 6 September 2024, as disclosed in Note 18.

In addition, no asset has been recognised for the potential benefit arising from the possible option to auction for property as this is considered to be remote.

During the period, the sub-funds have invested in restitution points as stated below:

#### Alpha Quest Balanced fund

Balances outstanding in this sub-fund are as below.

|             | Currency | 30.06.2024  | 31.12.2023  |
|-------------|----------|-------------|-------------|
| Outstanding | RON      | 350,335,027 | 425,273,320 |
|             | EUR      | 70,388,128  | 85,494,014  |
| Cost        | RON      | 225,632,242 | 275,764,821 |
|             | EUR      | 45,333,267  | 55,437,861  |

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 12 Restitution points (continued)

#### Alpha Quest Balanced fund (continued)

Based on the assumptions and analysis mentioned above, the discounted value of the Restitution points is estimated at RON 266,648,081 (31.12.2023: RON 317,995,892 out of which RON 84,865,899 is still receivable from the Government of Romania). The value was then converted into Euro, the base currency of the Sub-funds, applying the exchange rate as at reporting date.

The discounted value of the restitution points as at is follows:

|                     | <b>EUR</b>        |
|---------------------|-------------------|
| <b>30 June 2024</b> | <b>53,574,030</b> |
| 31 December 2023    | 46,866,849        |

#### Alpha Quest Opportunity fund

Alpha Quest Opportunity Fund does not hold any restitution points as at period end.

Restitution points although not listed, are in high demand and can be easily sold to third parties should the company wish to do so without any obstacles.

### 13 Bonds issued

On 15 December 2020, the Sub-Fund offered on the Bratislava Stock Exchange a private placement bond of EUR 6,223,000. In 2021, the sub-Fund further issued EUR 33,777,000 bonds for a total issued bonds as at 31 December 2021 amounting to €40 million. The bond is unsecured, its maturity date is on 15 December 2025 and has fixed annual coupon of 5%. This bond is callable at any time starting from 2 May 2024 at 100%.

On 22 June 2021, the Sub-fund also offered on the Prague Stock Exchange an unsecured Bond with maturity date 22 June 2026 with a yield of 5.25% p.a. in the nominal value of CZK 200,000,000 (equivalent to EUR 7,982,915) (31.12.2023: CZK 200,000,000 (equivalent to EUR 8,099,285)).

As required by IFRS 9.B3.3.2, the bonds payable are derecognised when the Sub-fund repurchases its own debt instruments previously issued, irrespective of whether the Sub-fund intends to resell those instruments to other parties in the near term.

Interest payable on bonds on 30 June 2024 amounted to EUR 1,079,207 (31.12.2023: EUR 298,652).

The carrying amount of bonds for Alpha Quest Balanced Fund issued inclusive of interest payable as at 30 June 2024 and 31 December 2023 is as follow:

|   | <b>30.06.2024</b>   | 31.12.2023   |
|---|---------------------|--------------|
| <b>Particulars</b>                                    | <b>Amount (EUR)</b> | Amount (EUR) |
| Opening balance                                       | <b>48,397,937</b>   | 47,979,343   |
| Net Bonds sold by the sub-Fund during the period/year | -                   | 577,082      |
| Unrealised exchange gains during the period/year      | <b>(116,370)</b>    | (146,509)    |
| Interest expenses                                     | <b>1,203,529</b>    | 2,427,024    |
| Interest paid   | <b>(422,974)</b>    | (2,439,003)  |
| Closing balance                                       | <b>49,062,122</b>   | 48,397,937   |

Alpha Quest Opportunity Fund has not issued any bonds during the period ended 30 June 2024 and 31 December 2023.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

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### 14 Fees and other payables

#### 14.1 Management fees

##### Alpha Quest Balanced Fund

The founder shareholders are entitled to receive a management fee of 3.5% per annum of the Sub-fund's net asset value, calculated and paid on annual basis.

The management fees during the period amounted to EUR 416,400 (30.06.2023: EUR 358,052). The fees due for the reporting period is disclosed in the statement of comprehensive income and the outstanding management fees as at 30 June 2024 amounted to EUR 3,213,407 (31.12.2023: EUR 2,797,007).

##### Alpha Quest Opportunity Fund

The founder shareholders are entitled to receive a management fee of 1.5% per annum of the Sub-fund's net asset value, calculated and paid on annual basis.

The management fees during the period amounted to EUR 104,365 (30.06.2023: EUR 80,824). The fees due for the reporting year are disclosed in the statement of comprehensive income and the outstanding management fees as at 30 June 2024 amounted to EUR 782,426 (31.12.2023: EUR 678,060).

#### 14.2 Performance fees

##### Alpha Quest Balanced Fund

Each holder of Redeemable Shares will be subject to a Performance Fee payable to the founder shareholders in respect of each calculation period. For each Calculation Year, the Performance Fee shall be equal to 50% of the said increase in the NAV per redeemable share (without any accrual for the Performance Fee then under calculation) multiplied by the number of Redeemable Shares in issue.

The performance fees accrued during the period amounted to EUR 2,017,568 (30.06.2023: EUR 2,389,546). The fees due for the reporting period is disclosed in the statement of comprehensive income and the outstanding performance fees as at 30 June 2024 amounted to EUR 10,498,496 (31.12.2023: EUR 9,892,288), out of which EUR 8,480,928 were payable.

##### Alpha Quest Opportunity Fund

Each holder of Redeemable Shares will be subject to a Performance Fee payable to the founder shareholders in respect of each calculation period. For each Calculation Year, the Performance Fee shall be equal to 25% of the said increase in the NAV per Redeemable Share (without any accrual for the Performance Fee then under calculation) multiplied by the number of Redeemable Shares in issue.

The performance fees during the period amounted to EUR 292,961 (30.06.2023: EUR Nil). The fees due for the reporting period is disclosed in the statement of comprehensive income and the outstanding performance fees as at 30 June 2024 amounted to EUR 1,972,047 (31.12.2023: EUR 1,772,146), out of which EUR 1,679,086 were payable.

At Company level, management and performance fees receivable by the Founder shareholders are netted against the management and performance fees incurred by the Sub-funds. All receipts and payments between the Founder shareholders and the Sub-funds are eliminated in the Statement of cash flows at Company level.

#### 14.3 Administration fees

The Administrator is entitled to receive a minimum fee of €17,000 per annum or the below whichever the greater on each Sub-fund:

| <i>NAV size</i>           | <i>Administration fee</i> |
|---------------------------|---------------------------|
| Up to €100 million        | 3 bps                     |
| Greater than €100 million | 2 bps.                    |

The Administrator also charged additional fees for ad-hoc reports. The administration fees for the period for Alpha Quest Balanced Fund amounted to EUR 13,109 (30.06.2023: EUR 22,524) and the administration fees for the period for Alpha Quest Opportunity Fund amounted to EUR 12,835 (30.06.2023: EUR 11,262). The fees due for the reporting period are disclosed in the statement of comprehensive income and the outstanding administration fees as at 30 June 2024 amounted to EUR 6,361 (31.12.2023: EUR 4,950) for each Sub-fund.

#### 14.4 Auditors' Remuneration

Other than the audit fee disclosed in the Statement of comprehensive income, other assurance services and tax advisory services provided by the auditor during the period amounted to EUR 1,623 and EUR 826 (30.06.2023: EUR 826), respectively. These amounts are inclusive of VAT.

# ALPHA QUEST FUNDS SICAV p.l.c.

## Notes to the Financial Statements For the period ended 30 June 2024

### 14 Fees and other payables (continued)

#### 14.5 Other payables

| 30 June 2024                       | The Company   | Attributable to unitholders of redeemable shares of: |                                 |
|------------------------------------|---------------|--|---------------------------------|
|                                    |               | Alpha Quest<br>Balanced Fund                         | Alpha Quest<br>Opportunity Fund |
|                                    | EUR           | EUR  | EUR                             |
| Taxation expenses payable          | 826           | 413  | 413                             |
| Other payable and accrued expenses | 9,748         | 4,914  | 4,834                           |
|                                    | <b>10,574</b> | <b>5,327</b>   | <b>5,247</b>                    |

| 31 December 2023                   | The Company  | Attributable to unitholders of redeemable shares of: |                                 |
|------------------------------------|--------------|--|---------------------------------|
|                                    |              | Alpha Quest<br>Balanced Fund                         | Alpha Quest<br>Opportunity Fund |
|                                    | EUR          | EUR  | EUR                             |
| Other payable and accrued expenses | 8,458        | 4,289  | 4,169                           |
|                                    | <b>8,458</b> | <b>4,289</b>   | <b>4,169</b>                    |

### 15 Interest income

Interest income of Alpha Quest Balanced Fund consists of interest earned on bonds and loans. Total interest income amounted to EUR 74,622 (30.06.2023: EUR 181,678).

Interest income of Alpha Quest Opportunity Fund consists of interest earned on bonds and loans. Total interest income amounted to EUR 519,591 (30.06.2023: EUR 327,492).

### 16 Interest expense

Interest expense is incurred on bonds issued by Alpha Quest Balanced Fund (see note 13) and amounted to EUR 1,203,529 (30.06.2023: EUR 1,221,154) for the period.

### 17 Other operating expenses

| 30 June 2024                 | Attributable to<br>founder<br>shareholders | Attributable to unitholders of redeemable shares of: |                                 |
|------------------------------|--|--|---------------------------------|
|                              |  | Alpha Quest<br>Balanced Fund                         | Alpha Quest<br>Opportunity Fund |
|                              | EUR  | EUR  | EUR                             |
| Broker charges               | -  | 19,136   | 367,026                         |
| Bank charges                 | 255  | 9,272  | 2                               |
| Commission and other charges | -  | 40,793   | 6,757                           |
| Secretarial fee              | -  | 1,364  | 1,364                           |
| Reporting fee                | -  | 1,861  | 1,861                           |
| MLRO fee                     | -  | 500  | 500                             |
| CRS service expenses         | -  | 580  | 500                             |
| Compliance officer fee       | -  | 500  | 500                             |
| AIFMD fee                    | -  | 7,630  | 7,630                           |
| Registered office expenses   | -  | 322  | 322                             |
| General expenses             | -  | 34   | -                               |
| Research expenses            | -  | -  | 100,000                         |
| Other expenses               | -  | 52,089   | 22,845                          |
|                              | <b>255</b>                                 | <b>134,081</b>                                       | <b>509,307</b>                  |

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## Notes to the Financial Statements For the period ended 30 June 2024

### 17 Other operating expenses

| 30 June 2023                 | Attributable to founder shareholders | Attributable to unitholders of redeemable shares of: |                              |
|------------------------------|--------------------------------------|--|------------------------------|
|                              |                                      | Alpha Quest Balanced Fund                            | Alpha Quest Opportunity Fund |
|                              | EUR                                  | EUR  | EUR                          |
| Broker charges               | 51                                   | 151,900  | 136,597                      |
| Arrangement fee              | -                                    | 709  | -                            |
| Bank charges                 | 218                                  | 633  | 52                           |
| Commission and other charges | -                                    | 7,929  | 8,690                        |
| Secretarial fee              | -                                    | 647  | 647                          |
| Reporting fee                | -                                    | 1,857  | 1,611                        |
| MLRO fee                     | -                                    | 500  | 500                          |
| Placement fee                | -                                    | 1,499  | -                            |
| Research expenses            | -                                    | -  | 100,000                      |
| Other expenses               | -                                    | 51,721   | 23,782                       |
|                              | <u>269</u>                           | <u>217,395</u>                                       | <u>271,879</u>               |

### 18 Subsequent events

On 19 August 2024, the Company declared an interim dividend to Class A shareholders (the Ordinary shareholders of the Company) amounting to EUR 2,831,294.

On 6 September 2024, The Government of Romania issued Ordinance no. 107/2024 to notify Restitution points holders that payments titles issued by the ANRP until 30 June 2024 and not yet paid by the Ministry of Finance, shall be paid until December 31, 2024 "within the limit of commitment appropriations and budget appropriations approved for this purpose". Moreover, it is mentioned that the issuance of new payment titles by the ANRP was suspended until December 31, 2024.

There were no other subsequent events that could have a significant effect on the financial statements as at 30 June 2024.