

CLEANTHES INVESTORS, LTD.

(A Bermuda Exempted Company)

Financial Statements as of and for the year ended December 31,
2022, and Independent Auditor's Report

(Expressed in Euros)

CLEANTHES INVESTORS, LTD.

(A Bermuda Exempted Company)

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INDEPENDENT AUDITOR'S REPORT

To Cleanthes Investors, Ltd.:

Opinion

We have audited the financial statements of Cleanthes Investors, Ltd. (the "Fund"), which comprise the statement of assets, liabilities and shareholders' equity, including the condensed schedule of investments, as of December 31, 2022, and the related statements of operations, changes in shareholders' equity, and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2022, and the results of its operations, changes in its shareholders' equity, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

April 30, 2023

CLEANTHES INVESTORS, LTD.

(A Bermuda Exempted Company)

STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY

AS OF DECEMBER 31, 2022

Assets

Investments, at fair value (cost €8,959,027)	€	8,581,416
Cash		<u>1,600,523</u>

Total assets	€	<u><u>10,181,939</u></u>
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Liabilities and Shareholders' Equity

Due to affiliate	€	38,021
Accounts payable and accrued expenses		<u>50,610</u>

Total liabilities		<u>88,631</u>
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Shareholders' Equity		<u>10,093,308</u>
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Total liabilities and Shareholders' Equity	€	<u><u>10,181,939</u></u>
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The accompanying notes are an integral part of these financial statements.

CLEANTHES INVESTORS, LTD.
(A Bermuda Exempted Company)
CONDENSED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2022

	Percentage of Shareholders' Equity	Fair Value
Investments, at fair value		
Private investments		
Greece		
Real estate - commercial		
50 Evripidou Street, Pireaus, Greece	8.30 %	€ 838,066
Koniari 43, Athens, Greece	7.47	754,028
58 Pindou & Medeas, Filadelfeia, Greece	66.99	6,761,372
Total real estate - commercial (cost €8,731,077)	82.76	8,353,466
Real estate - residential		
Other (cost €227,950)	2.26	227,950
Total Greece (cost €8,959,027)	85.02	8,581,416
Total investments, at fair value (cost €8,959,027)	85.02 %	€ 8,581,416

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

CLEANTHES INVESTORS, LTD.
(A Bermuda Exempted Company)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Expenses	
Professional fees	€ 49,977
Operating expenses	<u>3,580</u>
Total expenses	<u>53,557</u>
Net investment loss	<u>(53,557)</u>
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and foreign currency	
Net realized gain (loss) on foreign currency	(191)
Net change in unrealized appreciation (depreciation) on foreign currency	(382)
Net realized gain (loss) on investments	309,187
Net change in unrealized appreciation (depreciation) on investments	<u>(265,135)</u>
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and foreign currency	<u>43,479</u>
Net decrease in shareholders' equity from operations	<u>€ (10,078)</u>

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

CLEANTHES INVESTORS, LTD.

(A Bermuda Exempted Company)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022

	Participating Shareholders	Non-Participating Shareholders	Total
Shareholders' Equity January 1, 2022	€ 2,091,961	€ -	€ 2,091,961
Subscriptions	8,011,425	-	8,011,425
Net decrease in shareholders' equity from operations	(10,078)	-	(10,078)
Shareholders' Equity, December 31, 2022	€ 10,093,308	€ -	€ 10,093,308

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

CLEANTHES INVESTORS, LTD.
(A Bermuda Exempted Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flows from Operating Activities

Net decrease in shareholders' equity from operations	€	(10,078)
Adjustments to reconcile net decrease in shareholders' equity from operations to net cash flows used in operating activities		
Purchase of investments		(8,007,822)
Proceeds from sale of investments		1,600,500
Net realized (gain) loss on investments		(309,187)
Net change in unrealized (appreciation) depreciation on investments		265,135
Changes in operating assets and liabilities		
Due to affiliate		38,021
Accounts payable and accrued expenses		12,529
		<hr/>
Net cash used in operating activities		<hr/> (6,410,902)

Cash Flows from Financing Activities

Capital subscriptions		<hr/> 8,011,425
Net cash provided by financing activities		<hr/> 8,011,425
Net increase in cash		1,600,523
Cash, beginning of year		<hr/> -
Cash, end of year	€	<hr/><hr/>1,600,523

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

CLEANTHES INVESTORS, LTD.

(A Bermuda Exempted Company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. ORGANIZATION

Cleanthes Investors, Ltd. (the “Company”), a Bermuda Exempted Company registered as a Segregated Accounts Company, was formed on December 20, 2020 and commenced operations on May 16, 2021. The Company is organized primarily for the purpose of the acquisition of commercial and residential properties from banks, financial institutions and private individuals in Greece and Cyprus.

The Company’s objective is to seek capital appreciation and current income through the acquisition of commercial and residential properties from banks, financial institutions and private individuals in Greece and Cyprus. The Investment Adviser’s strategy with respect to the Company is comprised of multiple investment strategies, including, but not limited to corporate private investments, real estate and real estate related credit assets, commercial and industrial assets, structured finance, consumer assets, and corporate and other securities.

Arena Investors, LP (the “Investment Adviser”), an investment adviser registered with the U.S. Securities and Exchange Commission, serves as the investment adviser to the Company. The Company appointed a Board of Directors (the “Board”) that acts in accordance with the Companies Act and the Bye-laws (defined below).

Citibank, N.A. is the custodian to the Company.

The Company has entered into an agreement (the “Service Agreement”) with SS&C Technologies, Inc. (the “Administrator”) pursuant to which the Company has engaged the Administrator to perform certain day-to-day administrative services on its behalf.

Capitalized terms used, but not defined herein, shall have the meaning assigned to them in the Company’s Bye-laws (“the Bye-laws”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies consistently followed by the Company in the preparation of its financial statements:

Basis of Presentation

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Amounts reported, unless otherwise indicated, are stated in Euros.

The Company is an investment company in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification *Topic 946, Financial Services – Investment Companies* (“ASC 946”), which defines investment companies and prescribes specialized accounting and reporting requirements for such entities. Accordingly, the Company reflects its investments on the Statement of Assets, Liabilities and Shareholders’ Equity at their fair value, with unrealized gains and losses resulting from changes in fair value, if any, reflected in the change in net unrealized appreciation/(depreciation) on investments on the Statement of Operations.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including the fair value of investments, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in shareholders’ equity from operations during the year. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash comprises cash on hand. Cash equivalents are short-term, highly liquid investments with original maturities of less than three months that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. As of December 31, 2022, the Company held no cash equivalents. The Company custodies cash with Citibank N.A. and is subject to credit risk to the extent the cash exceeds federally insured limits. As of December 31, 2022 the company had €1,600,523 of cash on deposit with Citibank N.A.

Investments

The Company reports financial instruments at fair value. Management of the Company estimates the fair value of financial instruments utilizing the policies and guidelines described in Note 4.

Investment Transactions and Investment Income/Expenses

Investment transactions are recorded on the trade date. Realized gains or losses on investment transactions are determined based on the average cost method.

CLEANTHES INVESTORS, LTD.
(A Bermuda Exempted Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Currency

Assets and liabilities denominated in a currency other than Euros are translated into Euros at the closing rate of exchange as reported by a major international exchange at the reporting date. The resulting gains and losses on foreign currency cash balances included in cash and cash equivalents are isolated on the Statement of Operations as realized gain (loss) on foreign currency and net change in unrealized appreciation (depreciation) on foreign currency.

Purchases and sales of investments, and income and expenses denominated in currencies other than Euros, are translated at the rates of exchange on the respective dates of such transactions. The resulting gains and losses from such translations are included, as part of the underlying transactions, in the accompanying Statement of Operations. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held or sold.

Income Taxes

Under the laws of Bermuda, the Company is generally not subject to income taxes. No provision has been made in the accompanying financial statements for federal, state or local income taxes. Dividends and certain other income received by Company may be subject to foreign withholding taxes.

The Company recognizes the financial statement effects of tax positions taken or expected to be taken in a tax return when it is more likely than not to be sustained upon examination by the applicable taxing authority, including the resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement, which could result in the Company recording a tax liability that would reduce shareholders' equity. The Company reviews and evaluates tax positions in its major jurisdictions and determines whether or not there are uncertain tax positions that require financial statement recognition. Generally, the Company is subject to income tax examinations by major taxing authorities for up to three years from the date a return is filed.

Based on this review, the Company has determined the major tax jurisdictions to be where the Company is organized and where the Company makes investments; however, no reserves for uncertain tax positions were required to have been recorded for the Company's open tax year. The Company's tax returns may remain open for examination by tax authorities for the period of time for which the statute of limitation extends which varies by the specific jurisdiction and whether a tax return is filed in that jurisdiction. The Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. As a result, no income tax liability or expense has been recorded in the accompanying financial statements.

3. SHAREHOLDERS' EQUITY

The share capital of the Company is divided into Management Shares and Participating Shares.

Management Shares

Non-participating, non-redeemable, voting shares of par value US\$0.001 each in the capital of the Company entitling the holder(s) thereof to the rights, and being subject to the restrictions, set out in the Bye-laws. The holders of Management Shares:

- (a) shall be entitled to receive notice of, and attend and vote at, general meetings of the Company;
- (b) shall not be entitled to any dividend or other distribution save any that may be payable from the General Account;
- (c) in the event of a winding-up or dissolution of the entire Company, whether voluntary or involuntary or for a re-organization or otherwise or upon distribution of capital, shall be entitled, out of the assets linked to the General Account, to a return of the capital paid up on their Management Shares *pari passu* with the other holders of the Management Shares and thereafter to share *pro rata* in the surplus assets linked to the General Account; and
- (d) shall not be entitled to redeem their Management Shares, nor shall their Management Shares be subject to redemption at the option of the Company.

Participating Shares

Redeemable participating, non-voting shares of par value US\$0.001 each in the capital of the Company entitling the holder(s) thereof to the rights, and being subject to the restrictions, set out in the Bye-laws and related Offering Memorandum.

CLEANTHES INVESTORS, LTD.
(A Bermuda Exempted Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

3. SHAREHOLDERS' EQUITY (CONTINUED)

Participating Shares (continued)

The Participating Shares may be divided into different Classes, and/or Series within a Class, as the Board may in its discretion determine, each of which shall be which is linked to a particular Segregated Account or Segregated Accounts. Each Class of Participating Shares, and each Series within each Class, shall entitle the holders thereof to the rights, and be subject to the restrictions applicable to the relevant Class or Series (as the case may be) set out in the Bye-laws and/or in the resolution of the Board pursuant to which such Class or Series of a Class is created for issue.

The Board may create such Classes and Segregated Accounts as it may resolve. A Class created shall be given its own distinct name or designation. A Class may refer to a single Segregated Account, or to a Segregated Account linked also with other Classes.

The holders of Participating Shares:

- (a) Are generally not entitled to receive notice of, nor attend and vote at, general meetings of the Company;
- (b) in the event of a winding-up or dissolution of the Company or the relevant Segregated Account, whether voluntary or involuntary or for a re-organization or otherwise or upon distribution of capital, shall be entitled, out of the assets linked to that Segregated Account, to a return of the capital paid up on their Participating Shares *pari passu* with the other holders of the Participating Shares linked to that Segregated Account and thereafter to share *pro rata* in the surplus assets linked to that Segregated Account;
- (c) shall be entitled to such dividends as the Directors may, from time to time declare out of the assets linked to that Segregated Account in respect of the Participating Shares, the relevant Class or Series (as the case may be);
- (d) shall be considered an Account Owner in relation to that Segregated Account for the purposes of the SAC Act;
- (e) shall, subject to the provisions of the Bye-laws and as set forth the relevant Offering Memorandum, have the right upon notice to require the Company to redeem their Participating Shares and be subject to compulsory redemption of their Participating Shares, in each case based upon the Net Asset Value thereof;
- (f) may be duly authorized and granted certain rights, powers and duties regarding certain issues related to management of the particular Segregated Account they are linked to as set forth in the relevant Offering Memorandum and such rights will be extended to their respective servants, agents and employees as appropriate; subject to the relevant Offering Memorandum; and
- (g) may give advice to the Board with regards to management issues relating to the operations of the relevant Segregated Account and the Board shall give due consideration to the opinions proffered.

Capital Subscriptions

Subject to the provisions of the Bye-laws, the authorized but unissued Participating Shares shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.

The Subscription Price per Participating Share of each Class or Series shall be the Net Asset Value per Participating Share of the relevant Class or Series, unless otherwise determined by the Board in its absolute discretion, provided that the Board may fix a Subscription Price to apply in respect of the initial offering of any Class or Series of Participating Shares.

Capital Redemptions and Distributions

On receipt of a given Redemption Request, the Company shall redeem the Participating Shares which are the subject of the Redemption Request on the relevant dealing date at the Redemption Price as dictated by the Bye-laws.

The Company does not expect to make any distributions to Shareholders (other than in respect of redemptions). All income received by the Company from its investments generally will be used first to meet its expenses, with the balance generally being reinvested in accordance with the Company's investment program.

CLEANTHES INVESTORS, LTD.
(A Bermuda Exempted Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

3. SHAREHOLDERS' EQUITY (CONTINUED)

Allocation of Net Income and Net Loss

The net assets attributable to each Class or Series of Participating Shares will be equal to the sum of:

- (a) all subscriptions for Participating Shares of that Class or Series; plus
- (b) all allocations of net gains and income items to that Class or Series; minus
- (c) all redemptions of Participating Shares of that Class or Series; minus
- (d) all dividends or distributions with respect to Participating Shares of that Class or Series; minus
- (e) all allocations of net losses and expenses to that Class or Series.

Net gains and income items and net losses and expenses, will be allocated to the Participating Shares of each Class or Series in proportion to their respective Net Asset Values or in such other manner as the Administrator may from time to time consider appropriate provided that net gains and income items and net losses and expenses that derive from or relate to assets linked to a Segregated Account shall be only be allocated to each Class that is linked to that Segregated Account.

Transactions in capital shares during the year as well as the shares outstanding and the NAV per share as of December 31, 2022, for each class and series of shares are:

	Beginning shares	Shares Issued	Shares Redeemed	Ending Shares		
Management shares						
Series 1	-	-	-	-		
Participating shares						
Series 1	2,432.79	8,594.88	-	11,027.67		
					Net decrease in	
	Beginning net assets	Amounts issued	Amounts redeemed		shareholders' equity from operations	Ending net assets
Management shares						Ending NAV per share
Series 1	€ -	€ -	€ -	€ -	€ -	€ -
Participating shares						
Series 1	2,091,961	8,011,425	-	(10,078)	10,093,308	915.27
	€ 2,091,961	€ 8,011,425	€ -	€ (10,078)	€ 10,093,308	€ 915.27

4. FAIR VALUE MEASUREMENTS AND DISCLOSURES

U.S. GAAP defines fair value as the price that the Company would receive upon selling an asset or would pay upon satisfying a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a framework for measuring fair value and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the factors that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized below.

Investment assets and liabilities reported at fair value are classified in one of the following categories:

Level 1 - Unadjusted quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 are publicly traded equity securities. The Company does not adjust the quoted price for these investments even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.

CLEANTHES INVESTORS, LTD.
(A Bermuda Exempted Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

4. FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Fair value for these investments is determined using valuation methodologies that consider a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. The inputs into the determination of fair value may require significant management judgment. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The following is a description of valuation inputs and techniques that the Company utilizes to fairly value each major category of assets and liabilities in accordance with ASC 820, Fair Value Measurement:

Investments, including real estate and other private investments are categorized as Level 3 and fair valued by the Company. Techniques used to value collateral, real estate, and other hard assets include, but are not limited to, discounted cash flow models, recent transaction pricing, and third party appraisals. The following is a summary of the levels within the fair value hierarchy in which the Company invests:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets, at fair value				
Investments, at fair value				
Private investments	€ -	€ -	€ 8,581,416	€ 8,581,416

The following table presents activity of the Company's Level 3 investments for the year ended December 31, 2022:

	<u>Purchase Cost</u>	<u>Transfers into Level 3</u>	<u>Transfers out of Level 3</u>
Investments:			
Private investments	€ 8,007,822	€ -	€ -

The following table summarizes the valuation techniques and significant unobservable inputs used for the Company's investments that are categorized within Level 3 of the fair value hierarchy as of December 31, 2022:

	<u>Fair Value at December 31, 2022</u>	<u>Valuation Techniques</u>	<u>Unobservable Inputs</u>	<u>Range of Inputs</u>	<u>Weighted Average</u>
Investments					
Real estate	€ 8,581,416	Discounted cash flow	Discount rate	16.3% - 26.8%	24.5%

5. RELATED PARTY TRANSACTIONS

Affiliates of the Company may, from time to time, pay expenses on behalf of the Company. These amounts are generally settled in the normal course of business and the ending balance payable is reflected as Due to affiliate in the Statement of Assets, Liabilities and Shareholders' Equity. As of December 31, 2022, the Company had a due to affiliate balance of €38,021 included on the Statement of Assets, Liabilities, and Shareholders' Equity.

6. COMMITMENTS AND CONTINGENT LIABILITIES

The Company may be involved in legal matters that arise from time to time in the ordinary course of the Company's business. At this time, the Company is not aware of any legal matters of this type that are believed to be material to the Company's results of operations, liquidity or financial condition.

CLEANTHES INVESTORS, LTD.
(A Bermuda Exempted Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

7. INDEMNIFICATIONS

In the normal course of business, the Company has entered into contracts which provide a variety of general indemnifications. The Company's maximum exposure under these indemnifications is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. Management expects that the risk of material loss associated with such indemnifications is remote. Therefore, the Company has not accrued any liability with such indemnifications.

8. RISK FACTORS

The Company is exposed to a number of risks due to its investment activities. The most significant identified risks which arise from holding financial instruments include market risk, consisting of interest rate risk, and other price risk; credit and counterparty risk; and liquidity risk. The Company has a comprehensive risk management framework to monitor, evaluate and manage the risk assumed in conducting its business.

Market Risk

Market 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 or rates and consists of the interest rate risk, and other price risk.

Foreign Currency Risk

The Company's functional currency is the Euro. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

Credit and Counterparty Risk

Credit risk arises primarily from the potential inability of borrowers or counterparties to perform in accordance with the terms of the contract. In the event that the borrowers or counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the borrowers or counterparty.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's only investments are held in real estate, which is typically less liquid than publicly traded companies. This increases the risk of the Company being able to meet its obligations as it may take time to liquidate assets to satisfy obligations. The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balances and cash flows from operations to meet its requirements. At December 31, 2022, the Company had no debt and its financial assets were significantly higher than its financial liabilities, resulting in minimal liquidity risk.

CLEANTHES INVESTORS, LTD.
(A Bermuda Exempted Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

9. FINANCIAL HIGHLIGHTS

Financial highlights for the year ended December 31, 2022 were as follows:

Per Share Data	Participating Shares Series 1
Net asset value, January 1, 2022	€ 859.90
Income from investment operations:	
Net investment loss	(9.95)
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and foreign currency	65.32
Net asset value, end of year	<u>€ 915.27</u>
Total return	7.42%
Ratio of expenses to average participating shareholders' equity	1.09%
Ratio of net investment loss to average participating shareholders' equity	(1.09)%

Total return is calculated for the participating shareholders. An individual shareholder's return may vary from these returns based on different profit sharing arrangements defined by the Agreement and the timing of capital transactions. The expense and net investment income (loss) ratios are calculated as a percentage of the average participating shareholders' equity, and includes expenses allocated from the Company.

10. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 30, 2023, which is the date that the financial statements were available to be issued and has not identified any events that require adjustments or disclosures in these financial statements except as follows:

The company received subscriptions in the amount €7,595,946 during the period January 1, 2023 through April 30, 2023.

* * *