
Audited Consolidated Financial Statements

Firebird Republics Fund, Ltd.

Year Ended December 31, 2024

With Report of Independent Auditors



FIREBIRD MANAGEMENT LLC

Firebird Republics Fund, Ltd.

Audited Consolidated Financial Statements

Year Ended December 31, 2024

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Independent Auditor's Report

The Board of Directors
Firebird Republics Fund, Ltd.
Grand Cayman, Cayman Islands

Opinion

We have audited the consolidated financial statements of Firebird Republics Fund, Ltd. (the "Fund"), which comprise the consolidated statement of assets and liabilities, including the consolidated condensed schedule of investments, as of December 31, 2024, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2024, and the results of its operations, changes in its net assets, 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated 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 consolidated 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 consolidated financial statements.



Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 consolidated 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 consolidated 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 consolidated 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.

BDO

March 31, 2025

Firebird Republics Fund, Ltd.

Consolidated Statement of Assets and Liabilities (Stated in United States Dollars)

December 31, 2024

Assets

Investments in securities, at fair value (cost \$105,229,999) (of which investments in securities with a cost of \$4,438,003 and fair value of \$28,841,876 are held for Firebird Republics SPV Ltd. under participation note)	\$	205,832,450
Cash and cash equivalents		4,937,540
Restricted cash (See Note 2)		-
Investments in other investment funds, at fair value (cost \$0)		220,064
Dividend receivable		712,124
Due from brokers		7,731
Receivable from investment in securities		750,965
Other income receivable		612,978
Other assets		35,606
Total assets		213,109,458

Liabilities

Due to Firebird Republics SPV Ltd. under participation note (see Note 4)		23,766,569
Due to brokers		17,190
Redemptions payable		3,182,999
Unrealized capital gains tax reserve (of which unrealized capital gains tax reserve of \$5,614,671 relates to investments in securities held for Firebird Republics SPV Ltd. under participation note)		5,921,738
Accounts payable and accrued expenses		147,706
Total liabilities		33,036,202
Net assets	\$	180,073,256

Net asset value per share

Class A Series 2 - 1 (based on 4.88 shares outstanding)	\$	1,232.22
Class A Series 2 - 2 (based on 108.62 shares outstanding)	\$	1,222.72
Class A Series 2 - 3 (based on 69.94 shares outstanding)	\$	1,000.20
Class A Series 2 - 4 (based on 15.87 shares outstanding)	\$	1,222.73
Class A Series 2 - 5 (based on 0.86 shares outstanding)	\$	1,222.74
Class A Series 2 - 6 (based on 0.53 shares outstanding)	\$	1,222.75
Class A Series 2 - 7 (based on 0.60 shares outstanding)	\$	1,232.17
Class A Series 2 - 8 (based on 6.17 shares outstanding)	\$	1,232.21
Class A Series 2 - 9 (based on 39.52 shares outstanding)	\$	1,232.21
Class A Series 2 - 10 (based on 0.26 shares outstanding)	\$	1,232.24
Class A Series 2 - 11 (based on 3.69 shares outstanding)	\$	1,240.51
Class A Series 2 - 12 (based on 254.31 shares outstanding)	\$	1,240.54

Firebird Republics Fund, Ltd.

Consolidated Statement of Assets and Liabilities (continued)
(Stated in United States Dollars)

December 31, 2024

Class A Series 2 - 13 (based on 42.90 shares outstanding)	\$	1,393.13
Class A Series 2 - 14 (based on 0.68 shares outstanding)	\$	1,393.14
Class A Series 2 - 15 (based on 46,799.59 shares outstanding)	\$	1,410.40
Class A Series 2 - 16 (based on 276.12 shares outstanding)	\$	1,418.90
Class A Series 2 - 17 (based on 12.64 shares outstanding)	\$	1,016.38
Class A Series 3 - 1 (based on 6,134.88 shares outstanding)	\$	1,416.98
Class A Series 3 - 2 (based on 7.91 shares outstanding)	\$	1,000.20
Class A Series 3 - 3 (based on 7.93 shares outstanding)	\$	1,120.51
Class A Series 3 - 5 (based on 12.72 shares outstanding)	\$	1,216.70
Class A Series 3 - 6 (based on 437.94 shares outstanding)	\$	942.56
Class M Series 1 - 1 (based on 408,959.14 shares outstanding)	\$	211.14
Class M Series 1 - 2 (based on 2,059.04 shares outstanding)	\$	1,099.42
Class M Series 1 - 3 (based on 34.13 shares outstanding)	\$	1,016.38
Class M Allocation Shares Series 1 - 1 (based on 875.87 shares outstanding)	\$	10.99
Class SS-A Series 2 - 1 (based on 0.85 shares outstanding)	\$	782.01
Class SS-A Series 2 - 2 (based on 15.44 shares outstanding)	\$	775.98
Class SS-A Series 2 - 3 (based on 10.52 shares outstanding)	\$	634.76
Class SS-A Series 2 - 4 (based on 2.56 shares outstanding)	\$	775.98
Class SS-A Series 2 - 5 (based on 0.12 shares outstanding)	\$	775.99
Class SS-A Series 2 - 6 (based on 0.08 shares outstanding)	\$	776.00
Class SS-A Series 2 - 7 (based on 0.10 shares outstanding)	\$	781.98
Class SS-A Series 2 - 8 (based on 0.88 shares outstanding)	\$	782.00
Class SS-A Series 2 - 9 (based on 5.60 shares outstanding)	\$	782.00
Class SS-A Series 2 - 10 (based on 0.04 shares outstanding)	\$	782.02
Class SS-A Series 2 - 11 (based on 0.62 shares outstanding)	\$	787.27
Class SS-A Series 2 - 12 (based on 36.92 shares outstanding)	\$	787.29
Class SS-A Series 2 - 13 (based on 6.27 shares outstanding)	\$	884.13
Class SS-A Series 2 - 14 (based on 0.11 shares outstanding)	\$	884.13
Class SS-A Series 2 - 15 (based on 6,740.88 shares outstanding)	\$	895.09
Class SS-A Series 2 - 16 (based on 46.14 shares outstanding)	\$	900.48

Firebird Republics Fund, Ltd.

Consolidated Statement of Assets and Liabilities (continued)
(Stated in United States Dollars)

December 31, 2024

Class SS-A Series 3 - 1 (based on 1,161.82 shares outstanding)	\$	899.26
Class SS-A Series 3 - 2 (based on 1.12 shares outstanding)	\$	634.76
Class SS-A Series 3 - 3 (based on 1.12 shares outstanding)	\$	711.11
Class SS-A Series 3 - 4 (based on 12.41 shares outstanding)	\$	758.31
Class SS-A Series 3 - 5 (based on 1.80 shares outstanding)	\$	772.16
Class SS-A Series 3 - 6 (based on 62.06 shares outstanding)	\$	598.18
Class SS-M Series 1 - 1 (based on 57,956.81 shares outstanding)	\$	134.00
Class SS-M Series 1 - 2 (based on 291.81 shares outstanding)	\$	697.73
Class SS-M Allocation Shares Series 1 - 1 (based on 124.13 shares outstanding)	\$	6.98

See accompanying notes

Firebird Republics Fund, Ltd.

Consolidated Condensed Schedule of Investments
(Stated in United States Dollars)

December 31, 2024

Quantity	Fair Value	Percent of Net Assets
Investment in securities		
Equities:		
Common stock:		
Bulgaria:		
	\$ 290,411	0.16 %
	5,619,755	3.12
	<u>5,910,166</u>	<u>3.28</u>
	Total Bulgaria (cost \$3,453,085)	
Croatia:		
	3,752,675	2.08
	<u>3,752,675</u>	<u>2.08</u>
	Total Croatia (cost \$2,784,116)	
Estonia:		
	7,692,592	4.27
	84,669	0.05
	500,799	0.28
	1,305,339	0.72
	1,944,361	1.08
	<u>11,527,760</u>	<u>6.40</u>
	Total Estonia (cost \$7,104,663)	
Georgia:		
Banking:		
447,897	26,398,415	14.66
	892,139	0.50
Holding Company:		
601,847	9,037,455	5.02
	<u>36,328,009</u>	<u>20.18</u>
	Total Georgia (cost \$4,331,920)	
Kazakhstan:		
	3	0.00
	1,185,103	0.66
	129,612	0.07
	5,720,155	3.18
	6,623,045	3.68
	<u>13,657,918</u>	<u>7.59</u>
	Total Kazakhstan (cost \$13,477,540)	

Firebird Republics Fund, Ltd.

Consolidated Condensed Schedule of Investments (continued)
(Stated in United States Dollars)

December 31, 2024

Quantity		Fair Value	Percent of Net Assets
	Investment in securities (continued)		
	Equities (continued):		
	Common stock (continued):		
	Kyrgyzstan:		
	Telecommunications	\$ 15,681	0.01 %
	Utilities	30,016	0.02
	Total Kyrgyzstan (cost \$284,946)	45,697	0.03
	Lithuania:		
	Banking:		
12,403,906	Šiaulių Bankas AB	10,582,636	5.88
	Construction	406,043	0.23
	Retail	3,187,928	1.77
	Total Lithuania (cost \$6,255,417)	14,176,607	7.88
	Netherlands:		
	Manufacturing	8,224,546	4.57
	Total Netherlands (cost \$4,908,164)	8,224,546	4.57
	Poland:		
	Retail	1,887,040	1.04
	Media and Entertainment	1,530,971	0.85
	Total Poland (cost \$5,188,308)	3,418,011	1.89
	Romania:		
	Aerospace	7,012,168	3.89
	Banking:		
2,811,924	Banca Transilvania SA	15,797,326	8.77
	Consumer Products	5,039,008	2.80
	Oil & Gas:		
111,585,242	OMV Petrom SA	16,461,493	9.14
	Transportation	1,832,326	1.02
	Total Romania (cost \$15,707,885)	46,142,321	25.62

Firebird Republics Fund, Ltd.

Consolidated Condensed Schedule of Investments (continued)
(Stated in United States Dollars)

December 31, 2024

Quantity	Fair Value	Percent of Net Assets
Investment in securities (continued)		
Equities (continued):		
Common stock (continued):		
Russia:		
Airlines	\$ 531,704	0.30 %
Banking	1,725,671	0.96
Food	1,584,578	0.88
Manufacturing	1,787,595	0.99
Metallurgy & Mining	2,356,653	1.31
Stock Exchange	1,290,352	0.72
Retail	58,102	0.03
Oil & Gas	4,803,672	2.67
Total Russia (cost \$29,845,644)	14,138,327	7.86
Total common stock (cost \$93,341,688)	157,322,037	87.38
Depository receipts (includes ADRs and GDRs):		
Kazakhstan:		
Banking:		
976,659	Halyk Saving Bank-GDR REG S	18,986,251 10.54
	Telecommunications	39 0.00
	Total Kazakhstan (cost \$5,611,768)	18,986,290 10.54
	Total depository receipts (cost \$5,611,768)	18,986,290 10.54

Firebird Republics Fund, Ltd.

Consolidated Condensed Schedule of Investments (continued)
(Stated in United States Dollars)

December 31, 2024

Quantity	Fair Value	Percent of Net Assets
Investment in securities (continued)		
Equities (continued):		
Preferred stock:		
Russia:		
Manufacturing (cost \$192,000)	\$ 672,533	0.37 %
Total preferred stock (cost \$192,000)	<u>672,533</u>	<u>0.37</u>
Restricted stock:		
Armenia:		
Gold	9,714	0.01
Total restricted stock (cost \$1,646,540)	<u>9,714</u>	<u>0.01</u>
Total equities (cost \$100,791,996)	<u>176,990,574</u>	<u>98.30</u>
Total investments in securities (cost \$100,791,996)	<u>176,990,574</u>	<u>98.30</u>
Investment in securities held for Firebird Republics SPV Ltd. under participation note		
Equities:		
Common stock:		
Kazakhstan:		
Oil & Gas:		
153,561 CNPC – Aktobemunaigas JSC	28,492,306	15.82
Total Kazakhstan (cost \$2,566,197)	<u>28,492,306</u>	<u>15.82</u>
Russia:		
Banking	349,570	0.19
Total Russia (cost \$1,871,806)	<u>349,570</u>	<u>0.19</u>
Total common stock (cost \$4,438,003)	<u>28,841,876</u>	<u>16.01</u>
Total equities (cost \$4,438,003)	<u>28,841,876</u>	<u>16.01</u>

Firebird Republics Fund, Ltd.

Consolidated Condensed Schedule of Investments (continued)
(Stated in United States Dollars)

December 31, 2024

Quantity	Fair Value	Percent of Net Assets
Total investment in securities held for Firebird Republics SPV Ltd. under participation note (cost \$4,438,003)	\$ 28,841,876	16.01 %
Total investment in securities including investments in securities held for Firebird Republics SPV Ltd. under participation note (cost \$105,229,999)	\$ 205,832,450	114.31 %
Investment in other investment funds		
Estonia:		
Miscellaneous	220,064	0.12
Total Estonia (cost \$0)	220,064	0.12
Total investment in other investment funds (cost \$0)	\$ 220,064	0.12 %

See accompanying notes

Firebird Republics Fund, Ltd.

Consolidated Statement of Operations
(Stated in United States Dollars)

December 31, 2024

Investment income

Dividend income (net of \$1,060,080 withholding taxes)	\$	11,137,256
Interest and other income		16,978
Total investment income		<u>11,154,234</u>

Expenses

Management fees		1,686,627
Professional fees and other expenses		768,294
Custodian fees		398,203
Interest expense		143
Total expenses		<u>2,853,267</u>

Net investment income 8,300,967

Net gain on investments and foreign currency transactions

Net change in unrealized capital gains tax reserve (net of \$53,069 decrease in unrealized capital gains tax reserve allocated to Firebird Republics SPV Ltd. under terms of participation note)		(20,159)
Net realized loss on investments and foreign currency transactions (net of \$3,696,979 realized loss on investments and foreign currency transactions allocated to Firebird Republic SPV Ltd. under terms of participation note)		(4,612,269)
Net change in unrealized appreciation on investments and foreign currency transactions (net of \$2,522,326 change in unrealized appreciation on investments and foreign currency transactions allocated to Firebird Republic SPV Ltd. under terms of participation note)		<u>18,657,855</u>
Net gain on investments and foreign currency transactions		<u>14,025,427</u>
Net increase in net assets resulting from operations	\$	<u><u>22,326,394</u></u>

See accompanying notes

Firebird Republics Fund, Ltd.

Consolidated Statement of Changes in Net Assets
(Stated in United States Dollars)

Year Ended December 31, 2024

Increase in net assets resulting from operations

Net investment income	\$	8,300,967
Net change in unrealized capital gains tax reserve (net of \$53,069 decrease in unrealized capital gains tax reserve allocated to Firebird Republics SPV Ltd. under terms of participation note)		(20,159)
Net realized loss on investments and foreign currency transactions (net of \$3,696,979 realized loss on investments and foreign currency transactions allocated to Firebird Republic SPV Ltd. under terms of participation note)		(4,612,269)
Net change in unrealized appreciation on investments and foreign currency transactions (net of \$2,522,326 change in unrealized appreciation on investments and foreign currency transactions allocated to Firebird Republic SPV Ltd. under terms of participation note)		18,657,855
Net increase in net assets resulting from operations		<u>22,326,394</u>

Decrease in net assets resulting from capital share transactions

Class A shares subscribed		12,662
Class M Shares subscribed		34,130
Class A shares redeemed		(4,182,999)
Transfers from Class A shares		(10,767,708)
Transfers from Class M shares		(11,807,656)
Transfers from Class M allocation shares		(1,283)
Transfers to Class SS-A shares		10,767,708
Transfers to Class SS-M shares		11,807,656
Transfers to Class SS- M allocation shares		1,283
Net decrease in net assets resulting from capital share transactions		<u>(4,136,207)</u>

Net change in net assets		18,190,187
Net assets at beginning of year		<u>161,883,069</u>
Net assets at end of year	\$	<u>180,073,256</u>

See accompanying notes

Firebird Republics Fund, Ltd.

Consolidated Statement of Cash Flows

(Stated in United States Dollars)

Year Ended December 31, 2024

Operating activities

Net increase in net assets resulting from operations	\$	22,326,394
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Net realized loss on investments		7,108,504
Net change in unrealized appreciation on investments		(21,848,881)
Purchases of investments		(15,683,143)
Proceeds from sales of investments		14,917,990
Changes in operating assets and liabilities:		
Due from brokers		(7,731)
Due to brokers		(84,276)
Dividends receivable		236,750
Receivable from investment in securities		(750,965)
Other income receivable		(612,978)
Other assets		(9,164)
Due to Firebird Republic SPV Ltd. under terms of participation note		(1,677,335)
Unrealized capital gains tax reserve		(32,910)
Accounts payable and accrued expenses		(33,899)
Net cash provided by operating activities		3,848,356

Financing activities

Drawdown of credit facility		417,699
Repayment of credit facility		(417,699)
Proceeds from issuance of Class A shares		12,662
Proceeds from issuance of Class M shares		34,130
Payments for redemptions of Class A shares		(1,000,000)
Net cash used in financing activities		(953,208)

Net change in cash, cash equivalents and restricted cash		2,895,148
Cash and cash equivalents at beginning of year		2,042,392
Cash and cash equivalents at end of year	\$	4,937,540

Supplemental disclosure of cash flow information

Cash paid during the year for interest	\$	143
Non-Cash transfers during the year	\$	1,352,061

See accompanying notes

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements

Year Ended December 31, 2024

1. Organization

Firebird Republics Fund, Ltd. (the “Fund”) was incorporated as an exempted company under the laws of the Cayman Islands on January 22, 1997 and was registered under the Cayman Islands Mutual Funds Act on April 11, 1997. The Fund commenced operations on April 25, 1997. The purpose of the Fund is to invest primarily in publicly traded securities of companies operating in Eastern Europe. The Class A shares of the Fund are listed on the Bermuda Stock Exchange.

Clairmont Holdings Ltd. (“Clairmont”) is a wholly owned subsidiary of the Fund and was incorporated as a limited liability company under the Companies Law, Cap. 113, of Cyprus on April 18, 1997. Clairmont owns shares of companies operating in Russia and various Eastern European countries.

Firebird Republics SPV Ltd. (the “SPV”) is a Cayman Islands exempt company which was incorporated on March 19, 2009, in order to hold illiquid assets of the Fund under a participation note dated March 31, 2009 (see Note 4).

The Fund’s investment advisor is Firebird Management, LLC (the “Advisor”), a New York limited liability company, which also acts as the investment advisor of the SPV. Certain of the principals of the Advisor are also directors of the Fund and of the SPV. The Advisor is a registered investment advisor with the United States Securities and Exchange Commission.

HedgeServ (Cayman) Ltd. (the “Administrator”) provides administration services to the Fund. The Harbour Trust Co. Ltd. maintains the registered office of the Fund and the SPV. Seaward Management Limited provides administration and management services to Clairmont and maintains its registered and regional office.

As of October 1, 2024, The Russian securities held by the Fund were designated as Special Investments and the suspension of the issuance and redemption of all classes of shares that was put into effect on March 1, 2022 was terminated. At this time each holder of Class A, M and Allocation share was redeemed a proportionate number of such shares and issued a proportionate number of Special Investment Shares, “Class SS-A, SS-M and SS Allocation”.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

2. Significant Accounting Policies

The consolidated financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) as detailed in the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) and are stated in United States Dollars. The Fund meets the definition of an investment company and follows the accounting and reporting guidance in ASC 946, *Financial Services – Investment Companies*. The following is a summary of the significant accounting and reporting policies used in preparing the consolidated financial statements.

Basis of Consolidation

The consolidated financial statements include the results of the Fund and its subsidiary Clairmont, after the elimination of all intercompany balances and transactions.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include amounts due from banks on demand and deposits with original maturities of three months or less. Substantially all of the cash and cash equivalents are held at Swedbank AS and State Street Bank. All cash and cash equivalents are held at banks organized in the United States of America, Estonia, Georgia, Kazakhstan and Bulgaria.

Cash and cash equivalents may be restricted if they serve as deposits for investments sold short. In addition, margin borrowings are collateralized by certain securities and cash balances held by the Fund. As of December 31, 2024, the Fund had approximately \$9,051,798 of gross restricted cash, and applied a discount of \$9,051,798 resulting in zero net restricted cash. The restricted cash represents rubles (RUB) received from dividends paid by Russian portfolio companies. In March 2022, the Central Bank of Russia introduced capital control measures in response to global sanctions. As a result, global custodians were required to open Type “S” accounts for non-residents. RUB balances in the Type “S” accounts maintained for non-residents from ‘unfriendly’ countries, which currently includes the Cayman Islands, are allowed to be maintained by the custodian but may not be used, transferred or repatriated.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

2. Significant Accounting Policies (continued)

Security Transactions and Related Investment Income and Expenses

Security transactions are accounted for on a trade date basis. Realized gains and losses from investment transactions are determined using the specific identification method and are recorded in the consolidated statement of operations. Interest is recorded on the accrual basis and dividends are recorded net of withholding taxes on the ex-dividend date in the consolidated statement of operations. Due to the current restrictions on cash, dividends received and accrued from Russian investments will be discounted to account for the illiquidity of the rubles received and confiscation risk. As of December 31, 2024, the total discount applied to Russian dividends amounted to \$10,100,369 of which \$1,048,571 applies to dividends accrued and not yet received, and \$9,051,798 applies to the restricted cash balance of which \$4,404,899 applies to dividends earned in 2024 and \$5,695,470 applies to dividends earned in prior years.

Participation Note

Assets and liabilities for which all net proceeds are held by the Fund on behalf of the SPV under the terms of the participation note are disclosed in the consolidated statement of assets and liabilities, the consolidated condensed schedule of investments held for Firebird Republics SPV Ltd. under participation note, and in Note 4. Allocated changes in valuation of investments held by the Fund on behalf of the SPV under the terms of the participation note, and related allocated movements in the unrealized capital gains tax reserve on such investments, are disclosed on the consolidated statement of operations.

Foreign Exchange Transactions

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the date of the consolidated financial statements. Transactions in foreign currencies are translated at the rates of exchange prevailing at the time of the transaction. Exchange gains or losses are included in the consolidated statement of operations.

The Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included with the net realized and change in unrealized gains and losses on investments and foreign currency transactions.

Fair Value of Financial Instruments

The fair value of the Fund's assets and liabilities which qualify as financial instruments under ASC Topic 825, *Financial Instruments*, approximates the carrying amounts presented in the consolidated financial statements.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

In accordance with ASC Topic 820, *Fair Value Measurements and Disclosures*, fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability under an orderly liquidation in a timely transaction with an independent buyer in the principal market or, in the absence of a principal market, the most advantageous market for the investment or liability.

ASC Topic 820 establishes a three-tier hierarchy to distinguish between inputs obtained from sources independent of the reporting entity that affect assumptions that market participants would use in pricing an asset or liability (observable inputs) and inputs that reflect the reporting entity's own assumptions that it thinks market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. The inputs are summarized in the three broad levels listed below:

Level 1 – valuations based on quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access and in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 securities. Because valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.

Level 2 – valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – valuations based on inputs that are unobservable and significant to the overall fair value measurement. These inputs may include the Advisor's own assumptions in determining the fair value of investments.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

In general, portfolio securities that are traded in an active market (in most cases a market where there has been at least one transaction in the last 15 business days and had at least 12 trading days in the recent month at sufficient volumes with reasonably consistent price levels taking into account the volatility of the market in question) are classified as Level 1. These securities are valued at their last reported sales price on the valuation date in the case of securities listed or quoted on a recognized securities exchange, the U.S. NASDAQ National Market List or any comparable foreign quotation system for securities that generally trade daily, or if no prices were quoted on such date, at the last reported sales price on the last prior date when a price was quoted for such securities.

If no such prices have been quoted in an active market, the investment is valued in good faith by the Advisor, in consultation with the Administrator, and approved by the Board of Directors, according to the steps outlined in ASC Topic 820. For these Level 2 or Level 3 securities, the Advisor may consult with and rely upon information provided by the Fund's custodians, market makers, brokers, and outside valuation services.

Level 2 securities will normally be priced using other observable information including identical or similar securities traded on other exchanges and quotations received from the counterparty, dealers, or brokers, whenever available and considered reliable. The Fund holds certain securities which are restricted under Rule 144A. Restricted securities are generally fair valued at a discount to similar publicly traded securities.

Investments in other investment funds that meet the definition of an investment company for which its net asset value or partners' capital has been measured in accordance with, or in a manner consistent with, the principles of ASC Topic 946, *Financial Services – Investment Companies*, are valued using the reported net asset value as a practical expedient.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

The Fund's investments in other investment funds are generally valued at the reported values, provided by the administrator or management of the investment fund, after discounts for any applicable redemption charges and any lock up periods, which valuations are prepared in accordance with such investment fund's governing documents. The Advisor considers this a reliable representation of fair value if the investment fund is accepting subscriptions and processing redemptions based on this reported value. However, in certain circumstances, the Advisor will estimate the value of such investment based on available relevant information as it considers material.

The strategy of the other investment fund in which the Fund has a position is to invest into investments in the Baltic region. This investment fund is a private equity fund and distributions are received as assets are liquidated.

For Level 3 securities, the Advisor will value the equity securities using either a "market approach," an "income approach," or both approaches, as appropriate. The "market approach" uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The "income approach" uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted).

In following these approaches, the types of factors that may be taken into account include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, the nature and realizable value of any collateral, the issuer of the security's ability to make payments, the issuer's earnings, discounted cash flows and net asset value analysis, the markets in which the issuer does business, comparisons of financial ratios of peer public companies, recent merger and acquisition transactions for comparable public or private companies, actual and imminent capital transactions in the subject investee company and the principal market for the relevant security, among other factors.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

The Advisor monitors and reviews the valuation methodologies on a monthly basis. The Advisor uses the latest available information to update the valuations each month. The Fund engages the services of an independent valuation firm to perform quarterly or semi-annual valuations on certain Level 3 assets. A Valuation Committee oversees the process and procedures for the valuation of the Level 3 investments in accordance with the valuation policy approved by the Board of Directors. The Valuation Committee meets on a quarterly basis or more frequently as required.

On February 24, 2022, Russia invaded Ukraine. As a result, Western countries implemented multiple sanctions packages (both unilateral and coordinated) to impose costs on the Russian regime. During this period, the Russian government implemented capital controls, among other fiscal and monetary initiatives, to stabilize the Russian economy.

Since the early days of the war, the Moscow Stock Exchange has suspended the ability of foreigners to trade Russian shares, even though trading for Russian citizens was reopened. As a result, since February 2022 the Advisor has valued all Russian stocks, listed, unlisted and illiquid according to fair value analysis. All positions are valued using the same methodology that was used before February 2022 with an additional discount.

In the last two years, Russia imposed restrictions and costs on foreign investors attempting to sell Russian local shares, beginning with a requirement that any sales be approved by a Special Committee of the Central Bank and that such sales be done at a minimum discount to the appraised value. In addition, an exit tax was imposed, to be paid by the buyer. By the end of 2024 the minimum discount was 60% and the exit tax was 35% of the transaction's value.

To value Russian local shares, a "foreign investor discount," was initially derived using as inputs dual listed Russian stocks that continued to trade in Russia on the Moscow Stock Exchange as well as outside of Russia. These inputs reflect the market's view of the value of Russian holdings to foreigners by pricing in restrictions on trading and on converting rubles to foreign currency. The discounts were then averaged to derive a blended discount.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

As Russia added restrictions and exit taxes, an additional 20% discount was applied to the derived blended discount. In October 2024, the U.S. Department of Treasury sanctioned the Moscow Stock Exchange, which means a license is now required for any transaction through its subsidiary, the National Securities Depository. Given all these trading restrictions, while a discount from the dual listed stocks is still derived, a minimum 60% discount to the Moscow Stock Exchange price is now applied. In addition to the minimum 60% discount, a 20% discount is applied to reflect the exit tax. Due to the continuously evolving regulations both from the U.S. government and the Russian government, the methodology for discounting Russian local shares is subject to further change.

The blended discount applied as of December 31, 2024, was 68% for both publicly traded Russian securities as well as for private Russian companies and illiquid Russian securities. All Russian securities are classified as Level 3. The Advisor continually reviews the sanctions lists of the U.S., U.K., and EU, and treats and values holdings as is required by the relevant authorities.

Ruble cash, which is held in “S” type accounts and subject to capital controls, is currently carried at zero to reflect the risk of confiscation in retaliation for potential seizure by Western governments of Russian foreign exchange reserves held in US Dollars and Euros.

Because of the inherent uncertainty of valuation of securities and other investment funds traded in emerging market economies (see Note 12), the estimated fair values may differ significantly from values that will eventually be realized upon an actual liquidation of the portfolio, and such differences could be material.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

2. Significant Accounting Policies (continued)

Investment Classification

The industry and geographic classifications reflected in the consolidated condensed schedule of investments represent the Advisor's belief as to the most meaningful presentation of the classification of the principal business of the holdings in the portfolio.

Recent Accounting Pronouncements

In June 30, 2022, the FASB issued Accounting Standards Update ("ASU") 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurement Of Equity Securities Subject To Contractual Sale Restrictions". ASU 2022-03: (1) clarifies the guidance in ASC 820 on the fair value measurement of an equity security that is subject to a contractual sale restriction and (2) requires specific disclosures related to such an equity security. ASU 2022-03 is effective for fiscal years beginning after December 15, 2024. The Fund is currently evaluating impact of applying this update.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The ASU requires the annual financial statements to include income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for the Fund's annual reporting periods beginning after December 15, 2025. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted. The Fund is currently evaluating the effect that adoption of ASU 2023-09 will have on its financial statements.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

3. Financial Instruments

The following is a summary of the inputs used as of December 31, 2024, in valuing the Fund's investments, including the investments held by the Fund on behalf of the SPV under terms of participation note, carried at fair value, disaggregated by geographic region.

	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Fair Value December 31, 2024
Investments in securities:				
Equities and Depository receipts (includes ADRs and GDRs):				
Baltics:				
Estonia	\$ -	\$ 11,527,760	\$ -	\$ 11,527,760
Lithuania	406,044	13,770,563	-	14,176,607
Total Baltics	406,044	25,298,323	-	25,704,367
Central Asia:				
Kazakhstan	-	31,159,826	1,484,382	32,644,208
Kyrgyzstan	-	45,697	-	45,697
Total Central Asia	-	31,205,523	1,484,382	32,689,905
Eastern Europe:				
Armenia	-	-	9,714	9,714
Bulgaria	-	5,619,755	290,411	5,910,166
Croatia	-	3,752,675	-	3,752,675
Georgia	35,435,870	-	892,139	36,328,009
Poland	3,418,011	-	-	3,418,011
Romania	20,755,227	25,387,094	-	46,142,321
Russia	-	-	14,810,860	14,810,860
Total Eastern Europe	59,609,108	34,759,524	16,003,124	110,371,756
Western Europe:				
Netherlands	8,224,546	-	-	8,224,546
Total Western Europe	8,224,546	-	-	8,224,546
Total investments in securities	\$ 68,239,698	\$ 91,263,370	\$ 17,487,506	\$ 176,990,574
Investments allocated to Class A, M and Allocation interests	\$ 68,239,698	\$ 91,263,370	\$ 2,676,646	\$ 162,179,714
Investments allocated to Class SS-A, SS- M and SS Allocation interests	-	-	14,810,860	14,810,860
Total	\$ 68,239,698	\$ 91,263,370	\$ 17,487,506	\$ 176,990,574

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

3. Financial Instruments (continued)

	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Fair Value December 31, 2024
Investments in securities held by the Fund on behalf of the SPV under terms of the participation note:				
Equities and ADRs:				
Central Asia:				
Kazakhstan	-	-	28,492,306	28,492,306
Total Central Asia	-	-	28,492,306	28,492,306
Eastern Europe:				
Russia	-	-	349,570	349,570
Total equities	-	-	28,841,876	28,841,876
Total investments in securities	\$ 68,239,698	\$ 91,263,370	\$ 46,329,382	\$ 205,832,450
Investments in other investment funds:				
Baltics:				
Estonia	-	-	220,064	220,064
Total investments in other investment funds	\$ -	\$ -	\$ 220,064	\$ 220,064
Investments allocated to Class A, M and Allocation interests	\$ -	\$ -	\$ 220,064	220,064

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining value:

	Equities			
	Baltics	Central Asia	Eastern Europe	Total
Balance as at December 31, 2023	\$ 256,604	\$ 1,501,483	\$ 22,821,939	\$ 24,580,026
Net realized loss	(70,239)	-	(3,390,471)	(3,460,710)
Net change in unrealized (depreciation) appreciation	18,283	(17,101)	(461,978)	(460,796)
Purchases	-	-	627,676	627,676
Sales	(204,648)	-	(3,594,038)	(3,798,686)
Balance as at December 31, 2024	\$ -	\$ 1,484,382	\$ 16,003,128	\$ 17,487,510

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

3. Financial Instruments (continued)

	Other Investments Funds Baltics
Balance as at December 31, 2023	\$ 217,306
Net realized gain	6,276
Net change in unrealized appreciation	2,758
Sales	(6,276)
Balance as at December 31, 2024	<u>\$ 220,064</u>

**Investments in Securities
Held by the Fund on Behalf of the SPV
Under Terms of Participation Note**

	Equities		
	Central Asia	Eastern Europe	Total
Balance as at December 31, 2023	\$ 28,820,511	\$ 2,312,002	\$ 31,132,513
Net realized loss	-	(3,696,979)	(3,696,979)
Net change in unrealized appreciation (depreciation)	(328,205)	2,850,558	2,522,353
Sales	-	(1,116,011)	(1,116,011)
Balance as at December 31, 2024	<u>\$ 28,492,306</u>	<u>\$ 349,570</u>	<u>\$ 28,841,876</u>

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

3. Financial Instruments (continued)

A quantitative disclosure of the unobservable inputs and assumptions for Level 3 securities has been provided in the table below.

Asset Class	Geographic Region	Fair Value as at December 31, 2024	Valuation Techniques	Unobservable Inputs	Ranges (Weighted Averages)
Equities	Central Asia	\$ 1,484,382	Market comparable companies	Price/Earnings ratio Enterprise value/EBITDA Ratio	8.3 4.0
			Discounted cash Flows	Discount Cost of capital	40% 7%
	Eastern Europe	2,750,540	Market comparable companies	Enterprise value/EBITDA Ratio Enterprise Value/Sales Ratio Price/Book Value Ratio Discount to Market Price Discount/Premium	6.5 – 33.3 (29.6) 1.2 – 8.5 (6.1) 1.1 68.0% -75.4% – -20%
			Discounted last market price	Discount to Market Price	68.0%
			892,139	Last transaction price	
9,714	Discounted last market price	Restricted Discount to Market Price	10%		
Other investment funds	Baltics	\$ 220,064	Quarterly net asset valuation	Lock up discount	10%

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

4. Participation Note

On March 31, 2009, the Fund entered into a participation note with the SPV under which the Fund agreed to pay to the SPV the net proceeds, as defined therein, received by the Fund with respect to certain designated investments and other receivables of the Fund, being about 38% of the net asset value of the Fund at that date. In return for this payment, the SPV issued participating shares to each of the shareholders of the Fund pro-rata to the value of their respective shareholdings of the Fund at that date. The net proceeds are defined as the cash received from dividends, interest, sale or other realization proceeds on each such designated investment, less (a) expenses incurred by the Fund in connection with the realization or receipt of such cash, (b) management fees and performance allocation due to the Advisor with respect to such designated investments and (c) any other expenses incurred by the Fund on behalf of the SPV.

5. Due from/to Brokers and Concentration of Credit Risk

Due from/to brokers generally includes amounts receivable or payable for securities transactions that have not been settled at the date of the consolidated financial statements and cash held at brokers for settled trades. The majority of publicly traded investments are held with Swedbank AS and State Street Bank. The Fund periodically monitors the credit standing of the brokers and does not expect any material losses as a result of default by brokers.

6. Share Capital

The Fund's authorized share capital is \$50,000 divided into 4,990,000 Class A and Class M Common shares and 10,000 Allocation shares each having a par value of \$0.01 per share. Outstanding Common, Allocation, and SS shares will participate in the assets of the Fund upon liquidation ratably in proportion to their respective redemption values. Each Common and Allocation shareholder is entitled to one vote for each \$1 of Net Asset Value on any matter presented to a meeting of shareholders.

Profits and losses for each fiscal period are allocated among the shareholders in proportion to their respective capital accounts at the start of the fiscal period as defined in the Private Placement Memorandum.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

6. Share Capital (continued)

The Fund operates series of shares accounting methodology, as per the Memorandum and Articles of Association. Class A shares are issued and redeemed in accordance with the Memorandum and Articles of Association. At the end of each year, each shareholder pays a performance allocation equal to 20% of the net increase in the Net Asset Value of the shares held by that shareholder (see Note 8).

As of October 1, 2024, The Russian securities held by the Fund were designated as Special Investments. A proportionate number of Special Investment Shares were issued to each holder of the Fund's Class A, Class M and Allocation Shares with a corresponding redemption of a proportionate number of Shares from each of the holders thereof. Also, effective October 1, 2024 the Directors terminated the suspension of the issuance and redemption of all classes of shares that was put into effect on March 1, 2022.

Only holders of the series of Special Investment Shares will share in the subsequent appreciation or depreciation of such Special Investments. Upon any sale or other disposition of all or a portion of a Special Investment, the Special Investment shares will be redeemed and the net proceeds, net of a cash reserve for the class' expected expenses, thereof will be either distributed to the holders of such series of Special Investment Shares or reinvested in Class A Shares on behalf of such holders. When it is determined the Special Investments should no longer be treated as Special Investments, the Special Investment Shares will be redeemed and new Class A shares having the same aggregate Net Asset Value will be issued to the holders of such Special Investment Shares.

The aggregate value of the Special Investment Shares at December 31, 2024 was \$15,201,687.

The Class M Allocation shares are owned by the principals and key employees of the Advisor. These Allocation shares are not subject to management fees and will receive a performance allocation each year equal to 20% of the net increase in the Net Asset Value of each outstanding Class A Share (see Note 8).

Class M shares are only offered to employees of the Advisor, its affiliates and related persons, and are subject to the same rights, terms and conditions as the Class A shares except that Class M shares will not be subject to any management fee or performance allocation.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

6. Share Capital (continued)

Share transactions for the year ended December 31, 2024, were as follows:

	Class A	Class M	Class M Allocation Shares	Class SS-A	Class SS-M	Class SS-M Allocation Shares
Shares outstanding at December 31, 2023	65,315.89	469,266.80	1,000	-	-	-
Shares issued	12.66	34.13	-	-	-	-
Shares redeemed	(2,982.54)	-	-	-	-	-
Shares exchanged	(8,107.46)	(58,248.62)	(124.13)	8,107.46	58,248.62	124.13
Shares outstanding at December 31, 2024	<u>54,238.55</u>	<u>411,052.31</u>	<u>875.87</u>	<u>8,107.46</u>	<u>58,248.62</u>	<u>124.13</u>

7. Management Fees

Pursuant to the Memorandum and Articles of Association and the Management Agreement, the Fund pays the Advisor a management fee at an annual rate of 2.00% of the Class A and Class SS-A net asset value calculated and payable quarterly in advance based on the Class A and Class SS-A share of the Fund's net asset value (before accrual for performance allocation) as of the last business day of the preceding quarter. For the year ended December 31, 2024, the Fund recorded \$1,686,627 in management fees during the year.

Management fees are not charged to the Class M, SS-M, Allocation and SS-Allocation shares shareholders. The Advisor may, in its discretion, waive all or a portion of the management fee with respect to any shareholder.

8. Performance Allocation

Pursuant to the Memorandum and Articles of Association and the Management Agreement, Allocation shares receive a performance allocation annually equal in the aggregate to 20% of the net increase each year in the Net Asset Value of each outstanding Class A Share (including net unrealized gains and losses) subject to a loss carryforward. Class SS-A shares are subject to the same performance allocation as Class A shares but any performance allocation earned will not be crystallized until there is a realization event for the SS assets.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

8. Performance Allocation (continued)

The Advisor may waive all or part of the performance allocation for certain investors. There was no performance allocation to the Allocation shares for the year ended December 31, 2024. The performance allocation can be withdrawn at any time by the holders of the Allocation shares and SS-Allocation shares by way of distribution or redemption.

9. Taxation

There is currently no taxation imposed on income or profits of the Fund by the Government of the Cayman Islands. If any form of taxation were to be enacted, the Fund has been granted an exemption therefrom until April 12, 2037.

The Fund is not subject to United States Federal, state or local taxation. The Fund reports tax information to its U.S. resident shareholders on the accrual basis. The Fund has elected to be treated as a partnership for U.S. Federal income tax purposes.

ASC Topic 740, *Income Taxes*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. ASC Topic 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. The Fund has adopted ASC Topic 740 and its impact is reflected in these consolidated financial statements.

Unrealized capital gains tax reserve is allocated by the Fund to the SPV on specific investments under the terms of the participation note.

The Fund recognizes interest and penalties, if any, as capital gains tax expense in the consolidated statement of operations. During the year, the Fund did not accrue any interest or penalties.

Tax accruals are calculated in local currencies. The effective rate to the Fund can exceed or be less than the applicable rates if the local currency has appreciated or depreciated against the US Dollar during the period of investment.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

9. Taxation (continued)

Tax legislation in all of the jurisdictions in which the Fund invests is subject to varying interpretations and changes, which can occur unexpectedly. The Advisor's interpretation of such legislation as applied to transactions and activities of the Fund and its subsidiaries since inception may be challenged by the relevant regional and federal authorities. It is not practical to determine the amount of unasserted claims that may manifest themselves, if any, or the likelihood of any unfavorable outcome thereof.

As at December 31, 2024, the Advisor has identified two investment holdings one in Kazakhstan and one in Georgia which, under the current tax regulation in this jurisdiction, would be subject to income taxes on the investment gains realized for the period since purchase of the investment holdings to the date of realization. As such, the Advisor has accrued an income tax liability of \$5,921,738 (of which unrealized capital gains tax reserve of \$5,614,671 relates to investments in securities held for the SPV under participation note) with regard to such investment holding, which is disclosed in the unrealized capital gains tax reserve in the consolidated statement of assets and liabilities. Should the fair value of the investment holding identified change prior to the realization of the investment then the accrued income tax liability would be adjusted accordingly.

10. Related Party Transactions

In accordance with ASC Topic 850, *Related Party Disclosures*, related parties include principal ownership (defined to include investments where the Fund combined with funds under common control hold interests greater than 10%), associated companies (defined as investments where the Fund combined with funds under common control hold interests less than 10% and have members on the Board of Directors), and Affiliates. Affiliates are defined as other investment funds managed by the Advisor and related parties of the Advisor.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

10. Related Party Transactions (continued)

Outstanding balances at year-end and transactions with the SPV under the participation note during the year ended December 31, 2024, were as follows:

	Firebird Republics SPV Ltd.
Due to Firebird Republics SPV Ltd. under participation note as at December 31, 2023	\$ 25,443,904
Recognition of net change in unrealized capital gains tax liability on investments in securities held by the Fund on behalf of the SPV	53,069
Recognition of realized loss during the year on investments in securities held by the Fund on behalf of the SPV	(3,696,979)
Recognition of unrealized appreciation during the year on investments in securities held by the Fund on behalf of the SPV	2,522,353
Proceeds from sale of securities held by the Fund on behalf of the SPV	(1,116,011)
Increase in payable held by the Fund on behalf of the SPV	560,233
Due to Firebird Republics SPV Ltd. under participation note as at December 31, 2024	\$ 23,766,569

Transactions with these entities during the year were as follows:

	Principal Ownership	Associated Companies	Affiliates
Purchases of investments	\$ —	\$ —	\$ —
Sales of investments	—	3,133,256	—
Realized loss	—	(1,851,545)	—
Total	—	1,281,711	—

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

10. Related Party Transactions (continued)

Included in related parties are the following entities in which the Fund and Affiliates have a greater than 10% aggregate interest in the entity and/or a Director(s) seat is held.

<u>Name of Company</u>	<u>2024 Ownership by the Fund and Affiliates</u>	<u>2024 Investments Held by the Fund</u>	<u>Industry</u>
Amber Trust	2.29%	\$ 220,064	Miscellaneous
Arco Vara AS	6.27	500,799	Real Estate
Global Gold Corp	35.05	9,714	Gold
PR Foods	57.40	84,669	Food
Georgian Beverages Holding	7.54	268,401	Consumer Products

All investments in the above companies are carried at fair value, as discussed in Note 2.

11. Investment Risks

The Fund's investments are based principally in the emerging economies of Russia, the other former Soviet republics, and other Eastern European countries (the "Target Region"). Therefore, they are subject to the risks inherent in those economies including, but not limited to:

- **Political Risk** Changes in government policy of countries in the Target Region (such as nationalization, expropriation or confiscatory taxation, currency blockage, political changes, government regulation, social instability or diplomatic developments) could adversely affect the economies of the countries in the Target Region. In addition, geopolitical conflicts between countries in the Target Region, or between such countries and Western countries, could lead to sanctions or other restrictions that could adversely affect existing and potential investment opportunities for the Fund;

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

11. Investment Risks (continued)

- **Legal Risk** Many of the laws that govern private and foreign investment, securities transactions, creditors' rights and other contractual relationships in countries in the Target Region are relatively untested and not fully developed. As a result, the Fund may be subject to a number of unusual risks, including contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations. There can be no assurance that difficulties in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. Laws and regulations of countries in the Target Region could change quickly and unpredictably and may impose restrictions or approvals that do not exist in countries with more developed market economies;
- **Market Risk** Stock prices are volatile and are affected by the real or perceived impacts of such factors as economic conditions and political events. The stock market tends to be cyclical, with periods when stock prices generally rise and periods where stock prices generally decline. Any given stock market segment may remain out of favor with investors for a short or long period of time, and stocks as an asset class may underperform bonds or other asset classes during some periods;
- **Exchange and Currency Risk** At present, some of the currencies of countries in the Target Region are not freely and fully convertible into other currencies or traded internationally. Currency exchange values are also subject to direct and indirect government controls. Such internal exchange markets can therefore be said to be neither liquid nor competitive. Historically, many currencies in the Target Region have experienced sharp devaluations relative to the U.S. dollar and other Western currencies. The value of investments in the Fund will be affected by fluctuations in the value of local currencies against the U.S. dollar or by changes in local exchange control regulations, tax laws, withholding taxes, and economic or monetary policies. Additionally, since several of the countries in the Target Region are either Eurozone members or have local currencies pegged to the Euro, fluctuations in the Euro's value against the U.S. dollar will affect the Fund. Adverse fluctuations in currency exchange rates can result in a decrease in net return and in a loss of capital. Accordingly, investors must recognize that the value of Class A, Class M Common shares, Allocation shares, Class SS-A, Class SS-M and Class SS-Allocation shares can fall as well as rise for this reason;

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

11. Investment Risks (continued)

- **Investments through Subsidiaries** The Fund may make investments in portfolio companies through wholly-owned or jointly-owned subsidiaries under certain circumstances, for example to minimize exposure to certain taxes, to facilitate future sales of portfolio companies, or to facilitate an initial offering of stock of the holding company on an international stock exchange. These subsidiaries may have different depositaries, administrators and/or auditors than the Fund, or may have no such depositary, administrator or auditors. Therefore, the use of these subsidiaries may subject the Fund to additional risks that would not have been incurred if investments were made directly;
- **Illiquidity of Investments** Securities held by the Fund may be subject to greater price volatility than is usually the case with stocks in more developed markets, in some cases to a substantial degree. A limited number of issuers often represent a disproportionately large percentage of market capitalization and trading value in markets in the Target Region. Also, the Fund may invest in securities that are acquired from companies in offerings that are not registered under U.S. or other securities laws. Such securities may be illiquid, may not be actively and widely traded, may only be traded by a limited number of institutional investors, or may not be traded at all. Registered securities may also be “deregistered” after they are acquired by the Fund;
- **Settlement Risk** The clearing, settlement and registration systems through which transactions are executed and settled in certain countries in the Target Region are significantly less developed than those in more mature world markets. This can result in significant delays and other material difficulties in settling trades and in registering transfers of securities. It is currently prohibited for the Fund to transact on the Moscow Stock Exchange;
- **Custody Risk** As a result of sanctions imposed upon Russia, Western banks have reduced or exited their operations in Russia. Banks that are custodians of Russian securities, such as the custodians used by the Fund, may choose to withdraw fully from Russia or refuse to continue to custody any Russian securities. In this case, it could be difficult or impossible to obtain a substitute custodian, which could result in losses for the Fund;

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

11. Investment Risks (continued)

- **Confiscation Risk** Given ongoing hostilities between Russia and “unfriendly” foreign countries, which includes the countries where the Fund, the SPV, and the Manager are domiciled, there is a risk that Russian assets owned by the Fund could be confiscated by the Russian government. This risk is heightened in the case of ruble cash held in “S” accounts;
- **Quality of Information** Investors in the Target Region often have access to less reliable or less detailed information, including both general economic data and information concerning the operations, financial results, capitalization and financial obligations, earnings and securities of specific enterprises. The quality and reliability of information available to the Fund may, therefore, in some cases, be less than in respect of investments in Western countries. Russian companies have since, the imposition of sanctions in response to the invasion of Ukraine, been subject to Russian government restrictions on the amount and quality of financial information they may provide;
- **Taxation in Target Region** Investments by the Fund in the Target Region will have differing tax consequences. Not all jurisdictions in the Target Region have tax treaties providing relief from capital gains or other taxes. Consequently, the Fund may be subject to substantial taxation in certain jurisdictions. In order to minimize the tax consequences of investments, the Fund may invest through the Subsidiary or create investment vehicles in other jurisdictions or make investments directly. Tax laws and administration in certain countries in the Target Region, however, are fluid and often capricious, and there can be no assurance that the Fund will be able to anticipate all taxes or will be able to create a structure to minimize taxes in any particular jurisdiction;
- **Accounting Practices** Accounting standards in many nations in the Target Region frequently do not correspond to international accounting standards or generally accepted accounting practices in all material respects. In addition, auditing requirements and standards may differ from those generally accepted in the international capital markets and, consequently, information available to investors in developed capital markets is not always obtainable in respect of companies in the Target Region;
- **Criminality** Organized crime and corruption, including extortion and fraud, remain common in many countries in the Target Region. Threats or incidents of crime may cause or force the Fund to cease or alter certain activities or liquidate certain investments, which may cause losses or otherwise have a material adverse effect on the Fund;

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

11. Investment Risks (continued)

The above risks are not unique in the context of emerging markets investing.

The Fund could be affected, for the foreseeable future, by these risks and their consequences, and the effects could be significant. The accompanying consolidated financial statements do not include any adjustments that may result from the future clarification of these uncertainties. Such adjustments, if any, will be reported in the Fund's consolidated financial statements in the period when they become known and estimable.

12. Indemnifications

The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

During 2024, the Fund won a lawsuit related to the squeeze-out of a previously owned Estonian security, Olympic Entertainment Group. The court awarded the Fund and other shareholder plaintiffs EUR 0.78 per share plus accrued interest. Both the defendant and the plaintiffs have appealed the ruling, with the plaintiffs seeking a higher award. As of year-end, the Fund carried the award at 50% of its value, or \$612,978.

Firebird Republics Fund, Ltd.

Notes to Consolidated Financial Statements (continued)

Year Ended December 31, 2024

13. Financial Highlights

Financial highlights for the year ended December 31, 2024, were as follows:

	Class A	Class SS- A*
Total return before performance allocation	17.97 %	(32.84) %
Performance allocation	- %	- %
Total return after performance allocation	17.97 %	(32.84) %
Ratios to average shareholders' capital		
Total expenses before performance allocation	(2.61) %	(3.70) %
Performance allocation	- %	- %
Total expenses after performance allocation	(2.61) %	(3.70) %
Net investment income	2.99 %	29.13 %

*Expense ratios are annualized (see Note 5)

Shares are issued within classes to each investor by series. These series are permanent and will remain outstanding until the investor fully redeems. As a result, the Fund presents financial highlights consistent with those presented for a partnership, which are ratios to average net assets and total return, but not per share data.

14. Credit Facilities

As of December 31, 2024, the Fund had a credit agreement (“Credit Facility”) with Swedbank AS, pursuant to which the Fund has granted security over its assets held at Swedbank AS in order to have access to funds on a short-term basis to fulfill redemption requests in limited circumstances, as determined by the Advisor. Pursuant to the terms of the Credit Facility, the Fund can borrow up to \$1,200,000. This line of credit is at market rates and as at December 31, 2024, there were no outstanding amounts due.

15. Subsequent Events

Management has evaluated events subsequent to year end through March 31, 2025, the date the consolidated financial statements were available to issue. Management has reassessed the lawsuit related to Olympic Entertainment Group and has decided to write down the receivable to zero until the appeals are concluded.