GREENONE
CAPITAL

Venture Capital Fund

Unbound Fund

Annual Report and Accounts

2024

GREENONE CAPITAL

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1. Management Report

I. Introduction

a. Fund Identification

The Unbound Venture Capital Fund, hereinafter referred to as the "Fund" or "FCR", is a Closed-End Venture Capital Fund managed by Green One Capital – Sociedade de Capital de Risco, S.A., headquartered at Avenida da Liberdade, 245 - 3B, 1250-143 Lisbon. The Fund was registered with the CMVM on May 24, 2024, under registration number 2089.

The Fund will invest in companies with high growth potential, development, and profitability margins in the markets in which they operate. The Fund will focus its investments on both new and existing companies with high growth potential in the blockchain industry. The investment areas for these companies include, but are not limited to, research, investment, staking, mining, blockchain protocol development, and software development. Mainly for the purposes of pursuing proprietary trading strategies on the basis of the research produced, the capital reserves of the companies in which the Fund invests will primarily, but not exclusively, consist of highly liquid crypto assets (notably asset-referenced tokens, electronic money tokens, and cryptocurrencies) such as Bitcoin, USDC, USDT, and Ether.

The initial duration of the Fund is 8 years, counted from October 15, 2024, the date on which the first paid-in capital subscription took place. The Fund's period is divided into an investment period and a divestment period, as stipulated in the management regulations.

The Fund's assets are autonomous and, under no circumstances, are liable for the debts of its participants, the management entity, the depositary bank, or other collective investment undertakings, even if managed by the same entity. Only the Fund's assets may be used to meet its own obligations.

b. Macroeconomic environment in 2024[1]

The eurozone economy experienced a moderate recovery in 2024, following a sluggish growth period in 2023. Higher real incomes, supported by lower inflation and wage growth, contributed to a slight increase in private consumption. At the same time, exports rebounded, benefiting from a more robust external demand, driven by the stabilization of global supply chains and improving economic conditions among the European Union's key trading partners. However, growth remained constrained by the impact of restrictive monetary policies and geopolitical uncertainty, which affected investor and business confidence.

Inflation followed a downward trajectory throughout 2024, ending the year at around 2.0%, a level closer to the European Central Bank's (ECB) target. This decline was mainly due to stable energy prices and the normalization of supply chains. The ECB's restrictive monetary policy played a key role in this process, keeping interest rates at elevated levels for most of the year. However, this policy also resulted in higher credit costs, discouraging private investment and limiting business expansion.

The annual real GDP growth rate in the eurozone stood at 0.8% in 2024, slightly improving from 0.6% in 2023. The services and technology sectors demonstrated the highest dynamism, while construction and manufacturing industries continued to face challenges due to high financing costs. Economic activity remained affected by external factors, such as financial market volatility and trade tensions between the European Union, the United States, and China.

The labor market showed resilience, with the unemployment rate remaining stable at around 6.7%, one of the lowest levels in the past decade. However, labor shortages in strategic sectors, such as technology, healthcare, and specialized industries, continued to hinder growth. Nominal wages increased, driven by the need to compensate for real income losses from previous years due to inflation. However, throughout the year, wage growth slowed as inflation eased. As a result, households' purchasing power improved slightly, reflecting a gradual enhancement in consumers' quality of life.

At the global level, the economy grew by 3.1%, slightly below the growth rate of 2023. This expansion was driven by major economies, particularly China, which experienced a moderate recovery, and the United States, whose economy benefited from a strong labor market and resilient private consumption. However,

[1] According to the European Central Bank's Economic Bulletin of December 2024

Germany's economic slowdown and challenges in the European industrial sector constrained overall eurozone performance.

International trade showed signs of recovery, but remained subject to risks associated with political tensions, energy transition costs, and financial market volatility. The weakening of global demand and political uncertainty in several regions continued to impact investment and economic flows.

c. Portuguese Economy[2]

The Portuguese economy recorded uneven growth of 1.2% in 2024, reflecting a slowdown compared to 2023, when growth stood at 2.1%. A progression to 2.2% in 2025 and 2.0% in 2026 is projected, in line with internal and external demand.

In the first quarters of 2024, the impact of slowing demand and more restrictive financial conditions was evident. The increase in interest rates, initiated by the ECB in 2022, continued to weigh on investment and private consumption, making credit more expensive and limiting the financing capacity of businesses and households. The industrial sector, which is more sensitive to these conditions, was one of the most affected, while the services sector demonstrated greater resilience, supported by tourism and exports.

In contrast, in the second half of 2024, an improvement in economic flows was observed, driven by the increase in real household income, resulting from lower inflation and wage growth. The tourism sector remained one of the main drivers of the economy, benefiting from the enhanced competitiveness of Portuguese destinations.

Investment, which had shown less significant growth in 2023, showed signs of recovery, conditioned by the implementation of European funds. However, the construction sector continued to face challenges due to high financing costs and the shortage of skilled labor.

Inflation maintained a downward trend throughout the year, with the annual variation of the Harmonized Index of Consumer Prices (HICP) falling from 5.3% in 2023 to 2.9% in 2024. This decline resulted from the stabilization of energy prices, the normalization of supply chains, and the transmission of the effects of the ECB's restrictive monetary policy. However, throughout the year, some periods of higher inflation were recorded due to the volatility of food and service prices. Inflation is expected to decline to values close to 2.0% in 2025 and 2026.

The labor market saw little fluctuation in 2024, with the unemployment rate remaining around 6.7%, one of the lowest levels in the last decade. However, job creation slowed, reflecting a lack of economic dynamism. The technology, healthcare, and specialized industry sectors continued to face recruitment difficulties, highlighting a gap between the demand and supply of skills in the labor market. Wages increased slightly, but there was an inverse proportionality between inflation and wage growth.

Regarding public finances, budgetary indicators maintained a favorable evolution throughout 2024, despite slower economic growth. Public debt stood close to 100% of GDP at the end of the year, continuing the downward trajectory of previous years, driven by primary surpluses and public debt stabilization. As a result, the Portuguese economy maintained a positive external financing capacity, with a trade surplus close to pre-pandemic levels. Exports grew at a moderate pace, benefiting from the gradual recovery of external demand and the competitiveness of sectors such as tourism, technological industries, and tradable goods.

Tourism continued to play a crucial role in the economy, recording a new revenue record, driven by the increase in foreign visitors and the diversification of the tourism offering. The recovery of industrial exports, although slower, also contributed to the positive performance of the trade balance.

Projections for 2025 indicate an economic recovery, conditioned by monetary policy, increased public investment, and the gradual recovery of external demand. However, the persistence of high interest rates, which penalize consumption and investment, geopolitical uncertainty, which may affect global trade and foreign investment flows, as well as the shortage of skilled labor in various sectors, energy costs, and raw material prices, could pose challenges to Portugal's economic progress.

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[2] According to the European Central Bank's Economic Bulletin of December 2024

Despite these risks, several factors support an optimistic outlook. The inflow of European funds will be crucial in stimulating investment, providing additional economic stimulus. At the same time, the competitiveness of Portuguese exports could benefit from market diversification and the strengthening of technological innovation, ensuring a more solid foundation for sustainable economic growth.

d. Web3 sector in Portugal & Europe

The Web3 sector represents the next evolution of the internet, built on technologies such as blockchain, decentralization, and smart contracts. This new generation of the web promotes disintermediation, enabling peer-to-peer transactions, greater transparency, and new forms of digital ownership, such as non-fungible tokens (NFTs) and decentralized finance (DeFi) assets.

In 2024, the European venture capital market invested approximately 30 billion euros in Web3 startups, distributed across 3,516 deals. This figure represents a 51% increase compared to 2023, although still below 2022 levels.

In Portugal, cities like Lisbon have established themselves as important hubs for this ecosystem, attracting companies and international talent due to competitive taxation, high quality of life, and events such as the Web Summit. The country also stands out for the presence of innovative projects related to the metaverse, asset tokenization, and digital identity solutions.

On both a European and global scale, institutional adoption of Web3 technology continues to grow, with large companies exploring blockchain-based solutions to improve efficiency and security in sectors such as finance, supply chains, and digital entertainment. Despite regulatory challenges and the need for greater technological maturity, Web3 remains a highly innovative sector with strong growth potential, creating new strategic investment opportunities in the short and medium term.

II. FUND ACTIVITY IN 2024

a. Key moments

Throughout 2024, the Fund reached a total of €4,500,000.00 in subscribed capital. The year was primarily marked by the strategic definition of the Fund's investment pipeline and the active search for new investors.

b. Investment and Portfolio

The Fund is established as a closed-end venture capital fund with an initial duration of eight years, with the possibility of extending the investment period by up to two years, subject to approval by the Assembly of Participants and compliance with the applicable legal requirements. The Fund's primary objective is to invest in high-growth and development-potential companies, with a particular focus on the blockchain sector. The investment areas include research, protocol development, software, staking, and mining, aiming to maximize asset appreciation and generate returns for participants.

The Fund Management Regulation defines the structure and operation of the Fund in accordance with Decree-Law No. 27/2023, of April 28, which established the Asset Management Regime, as well as the applicable regulations published by the CMVM. The duration of the Fund is divided into an investment period and a divestment period. The investment period begins on the date of the first capital subscription and extends for four years after the Fund's establishment, with the possibility of being extended to six years. The divestment period begins after the investment period ends and continues until the liquidation of the Fund's assets, allowing for management and value maximization of acquired assets with the aim of their profitable disposal.

As of the date of this report, the Fund is in the early stages of its investment period, focusing on evaluating and identifying opportunities, developing its investment pipeline, and attracting new participants, in line with its Investment Policy as outlined in the Fund Management Regulation.

c. Brief Comment on the Fund's Financial Management

In 2024, the Fund has made shareholder loans to one affiliated company domiciled in Portugal, denominated Unbound Research, Unipessoal, Lda, totaling €4,339,036.20, generating additional revenue (interest) of

€39,506.84. However, due to the initial phase of the fund, this company has not yet made real investments in line with the investment policy of the fund and kept instead the treasury liquidity fully deployed in BTC ETFs which should be considered only as a transitory stage until real investments in the Web3 area are identified, analysed and concluded.

The Fund has adopted an expense policy adjusted to its initial phase, during which costs remain limited to initial expenses, including management fees, legal fees, and the remuneration of the management entity as stipulated in the Fund Management Regulation, in addition to other essential operational costs.

As of December 31, 2024, the Net Asset Value (VLGF) of the Fund amounted to €4,790,951.21. Below is a detailed summary of subscriptions, revenues, and incurred costs.

Liabilities	Value (€)
Management Fee	-4,877.05
Depositary Fee	-2,392.00
CMVM	-600.00
Other Costs	-6,385.00
Suppliers	-22,213.80
Total	**-36,467.85**

Assets	Value (€)
Current Account	94,060.60
Interest	39,506.84
Capital Investment	4,693,851.62
Total	**4,827,419.06**
VLGF	**4,790,951.21**
Number UP's	**4,165.77**
UP value	**1,150.08**

d. Outlook

The Fund's management team continues to actively research and analyze potential investments that align with its investment policy, while closely monitoring market developments to identify the best opportunities. At this stage, it is expected a sustained increase in the capital raised, which will significantly increase the Fund's size. In parallel, the team is evaluating multiple investment opportunities and developing a structured investment pipeline, with the objective of enhancing the Fund's growth and long-term value appreciation.

Despite the expectation of solid growth, it is important to acknowledge that all investments are subject to inherent risks related to market conditions, regulatory changes, and economic factors, which may influence the Fund's overall profitability.

e. Subsequent Events

As of the date of completion of this report, and considering the current circumstances, the Board of Directors of the Management Company is closely monitoring the geopolitical and macroeconomic landscape, particularly in light of the recent elections in the USA. The administration's pro-crypto stance and discussions around adopting cryptocurrencies as reserve assets for the U.S. Treasury have introduced significant shifts in global financial markets. Additionally, the ongoing geopolitical instability in Ukraine and the Middle East remains a key factor in shaping economic trends worldwide. The Board is actively assessing the potential repercussions of these developments on both national and global markets, aiming to anticipate their impact on the Fund's investment strategy and overall risk exposure.

PROPOSED ALLOCATION OF RESOURCES

The Board of Directors proposes to the Assembly of Participants that the net positive result of €290,951.00 be allocated to Retained Earnings.

Lisbon, March 14, 2025