

**HALF-YEAR REPORT
AND UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR H1 2021**

NUPEH CZ s.r.o.

Identification number 077 57 662

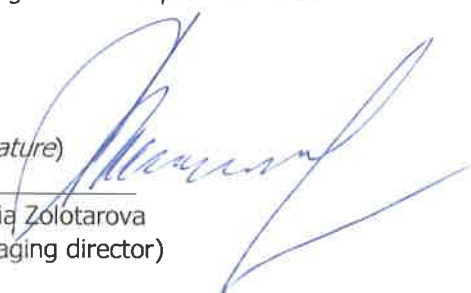
Antala Staška 1859/34, Krč, 140 00 Prague 4

1. General information

To the best of my knowledge, this half-year report gives a true and accurate picture of the financial situation, business activity, and financial results of the Company for the previous accounting half-year period and of the outlook for the future development of the financial position, business activities and financial results.

This report is published according to Section 119(1) of the CMA

In Prague on 24 September 2021

(signature) 
Natalia Zolotarova
(Managing director)

a. Corporate Information

About the Issuer

Business name: NUPEH CZ s.r.o. (the "Company")

Registration: Commercial Register maintained by the Municipal Court in Prague, File No. C 307124

Registered office: Antala Staška 1859/34, Krč, 140 00 Prague 4

Jurisdiction: Czech Republic

Governing law: Law of Czech Republic. Mainly, the Civil Code, Act No. 90/2012 Coll., on Companies and Cooperatives (Act on Business Corporations), as amended (the Act on Business Corporations), Act No. 455/1991 Coll., the Trade Licensing Act, as amended (the Trade Licensing Act) and Czech Bonds Act.

LEI: 3157002FXYZ444Q6BD33

Tax ID No: 077 57 662

Incorporation date: 1 January 2019

Legal form: Limited Liability Company

Internet address: www.nupeh-cz.com

E-mail: info@nupeh-cz.com

Phone: +420 221 710 383

About the Bonds

Name of the Bonds: NUPEH CZ 5,90/25

Key info: issued as book-entered securities due in 2025 and will bear a fixed interest rate of 5.9 % p.a.

ISIN: CZ0003524795

Number of bonds: 105,000

Nominal value: The nominal amount of each Bond is CZK 10,000 (ten thousand Czech Koruna). The total nominal value of the Issue is CZK 1,050,000,000

Issue date of the Bonds: 30 October 2020

Date of admission of the Bonds to trading on the Regulated Market of the Prague Stock Exchange: 30 October 2020

b. Financial Performance

Six months ended 30 June 2021

The Company's financial results for the half-year ended 310 June 2021 are set out below in the Exhibit I. The Company's total assets at the end of the reporting period is USD 49,216 thousand (H1 2020: USD 32,377 thousand), total liabilities equals to USD 49,082 thousand (H1 2020: USD 32,087 thousand), net loss for the half-year ended 310 June 2021 amounted to USD 706 thousand. (H1 2020: reported loss USD 10 thousand). The Company increased the contribution from the Parent Company outside of the registered capital by the amount of USD 550 thousand¹.

Future performance

In respect to expectations of the Company's financial performance for the next six months of the year ended 31 December 2021, no significant changes are envisaged as the Company's activity is restricted to the repayment of the bonds which is expected to be conducted according to the schedule via repayment of the existing intragroup loan between the Company and the Parent Company.

Asset-level outlook for development of the Parent Company's business for the next six months is described below.

Piramida

The reconstruction of the building is expected to last until at least the end of the year. GLA has increased to 15,887 square meters due to commissioning of the new retail phase from Metro side in May 2021 and is estimated to comprise 15,907 square meters as of December 2021 after additional internal works. A 6-floor office building is planned to be finished till the end of 2021. Total GLA is expected to increase to ca. 19,238 square meters after reconstruction. Vacancy is estimated at close to 0% reflecting fully leased newly commissioned retail area. Given current situation in relation to COVID-19, a potential lockdown is probable in October and/or November 2021, that might reduce the rental income in corresponding month by 30-50%¹.

¹ Based on the unaudited data of the issuer

Eurasia and Prime

Office real estate market is more rigid and reacts to unexpected events with a delay of 3 to 6 months. Office occupiers started to reconsider their office space requirements, halting expansions or considering space contraction. The vacancy risk in office properties is expected to stay higher with more tenants sticking to cost-cutting strategy, until the COVID-19 situation improves.

Current vacancies in Eurasia and Prime (18% and 19%) are expected to be gradually utilized throughout 2021-2022, as the market recovers slowly driven by large-scale vaccination and stabilization of working regime by most companies¹.

West Gate Logistic and East Gate Logistic

The impact of COVID-19-associated restrictions on the operations of warehouse real estate market was very limited, as warehouse business is not consumer-facing and most lease agreements in the sector are long-term.

No changes are expected for the first six months of the year ended 30 June 2021 for both West Gate Logistic and East Gate Logistic. Vacancy is anticipated to remain be stable (0% for West Gate Logistic and 6% for East Gate Logistic as of December 2021)¹.

Implication of COVID-19

The continuing COVID-19 pandemic is still significantly affecting the global economy, including Ukraine. Most countries are moving with vaccination campaigns to prevent further spread of the virus, while balancing restrictions with economy stimulus.

The Parent Company has investments into five objects of investment property, located in Ukraine, being two logistics centres, two business centres and one shopping center.

The Ukrainian central and local governments, as part of their efforts to combat the COVID-19 pandemic, temporary restricted customers access to Ukrainian retail shopping centres for 2.5 weeks in January 2021 and then another lockdown was introduced in Kyiv from 20 March 2021 till 30 April 2021. This decision has resulted in the temporary closure of the Group's shopping and entertainment centre. However, the hypermarkets, pharmacies and some other stores located within the centre continued to operate. The Group's management took relevant measures to cut the costs and maintained positive operating cash flows.

At the same time, the measures applied by the Ukrainian central and local governments did not have any significant negative impact on the financial results of the Group's two logistic centres and two business centres.

Management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances related to COVID-19 pandemic.

Based on assessment of the Company's management as at the date of preparation of the financial statements, the above situation has no impact on the Company's ability to continue as a going concern.

As the properties operate in different segments of the CRE market, it is more accurate to describe the influence of COVID-19 on asset level.

Piramida

For the first six months of the year ended 30 June 2021, two lockdowns were imposed: one in January and one in April. During the first lockdown, footfall dropped by 41% year-on-year, and turnover dropped by 23%, due to comparison with pre-COVID period. During the second lockdown both footfall and turnover were significantly higher year-on-year (up 127% and 39% respectively) comparing with the period of the

¹ Based on the unaudited data of the issuer

first strict lockdown. The overall increase of footfall and turnover year-on-year (by 5% and 12% respectively) for the first six months of the year ended 30 June 2021 results mostly from the impact of the strict lockdown last year, which paralyzed the work of shopping centers and caused a sharp decline of commercial indicators¹.

Notwithstanding continuing impact of the COVID-19 outbreak on retail sector, Piramida managed to maintain zero vacancy for the first six months of the year ended 30 June 2021, except for newly commissioned premises in June. Management team of Piramida aimed to minimize vacancy risks, temporarily renegotiating terms with retailers who were most impacted by the lockdown measures. NOI generated by Piramida for the first six months of the year ended 30 June 2021 increased by 3% year-on-year¹.

Eurasia and Prime

COVID-19 impact on the operations of business centers properties was limited.

Prime's vacancy increased from 2% as of June 2020 to 19% as June 2021 mainly due to termination of lease agreement for 7th (in June 2021) and 8th (in October 2020) floors with Deloitte, one of the anchor tenants. NOI generated by Prime for the first six months of the year ended 30 June 2021 increased by 13% year-on-year because of the reduced rental rate for Deloitte, which was in place in Feb-May 2020 due to fit-out works conducted by the tenant. At the same time, the loss of 7th floor rental income occurred in June 2021 and was outweighed by the fine for early lease termination, thus having no adverse impact in the reporting period¹.

West Gate Logistics and East Gate Logistics

COVID-19 impact on the operations of warehouse properties was insignificant.

c. Ownership and Control

NUPEH CZ s.r.o. is a financial arm of NEW UKRAINE PE HOLDING LIMITED ("NUPEH", or the "Parent Company") with its registered office at 16 June 1943 Street, Building No. 9, Office 202 area A, 3022, Limassol, Cyprus. The Parent Company does not own any debt securities issued by the Company.

The main activity of the Company includes providing financial means acquired through the issue to the affiliates in NUPEH Group by means of a loan, credit facility or other forms of financing. The Company does not currently perform any other activities.

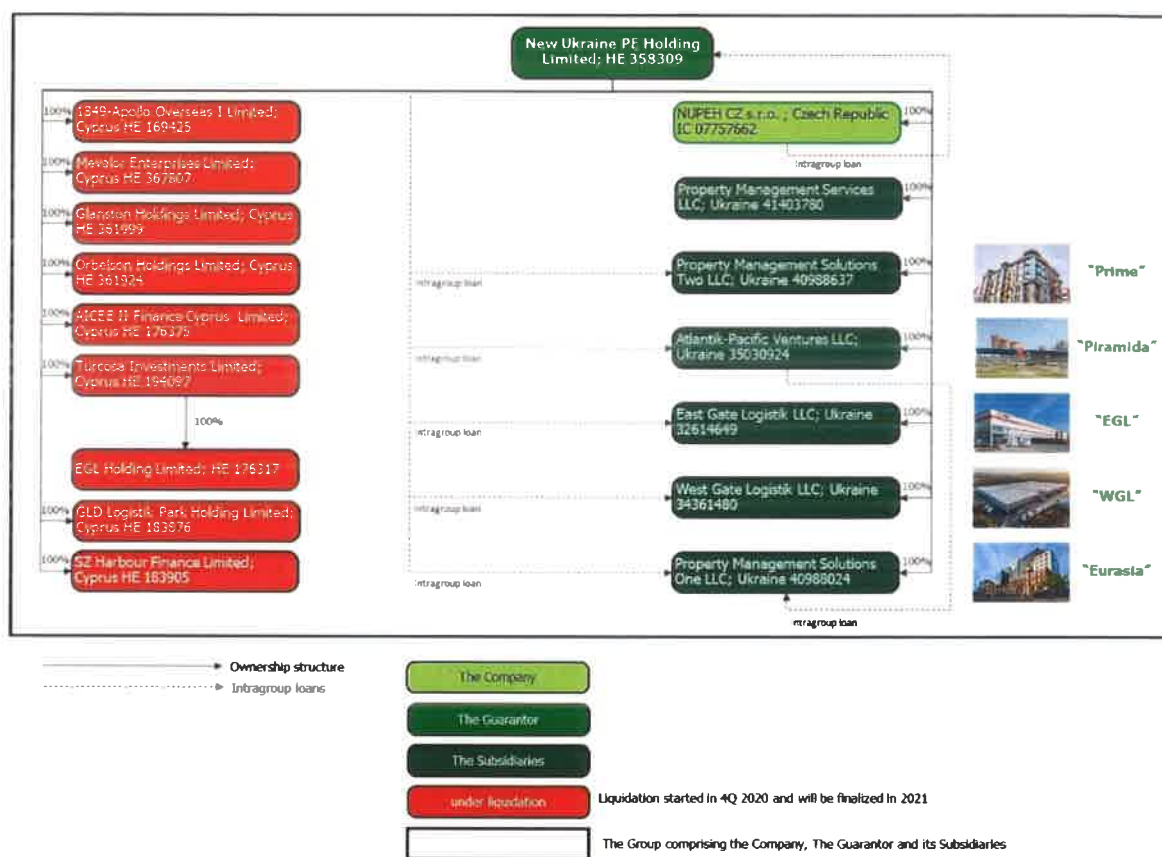
NUPEH CZ s.r.o. is owned by NUPEH, which holds shares representing 100% of the Company's registered capital and voting rights. The Company is therefore directly controlled by the NUPEH, which is a part of the group consisting of the NUPEH and its subsidiaries ("Group"), as illustrated below at the Scheme 1. The Company does not have a foreign branch. The Company does not follow special policies, which would prevent the abuse of the control of the Company by the Parent Company. The Company follows the rules and measures placed by the applicable regulation and believes that this is sufficient. The Company is not aware of any arrangements, which may at a subsequent date result in a change of control of the Issuer. Mr. Tomáš Fiala, a citizen of the Czech Republic, born on 13 May 1974 (hereinafter referred to as the "UBO") acts as a Ultimate Beneficial Owner of the Company as stated in the Article 4 of Report on Relations.

NUPEH is a holding company, established to manage a portfolio of 5 commercial real estate assets, which are located in Kyiv region. As at the date of the publication of the Half-year Report of NUPEH CZ s.r.o. (the "Half-Year Report"), the NUPEH's investments were represented by the following projects:

¹ Based on the unaudited data of the issuer

- Piramida: shopping center with the gross leasing area equal to 15,887¹ square meters (effectively 19,238, following the reconstruction is finished);
- East Gate Logistic: A-class warehouse with the gross leasing area equal to 49,027 square meters;
- West Gate Logistic: A-class warehouse with the gross leasing area equal to 96,221 square meters and associated land plot of 15 ha.;
- Property Management Solutions One: A-class business center Eurasia with the gross leasing area equal to 27,855 square meters; and
- Property Management Solutions Two: A-class business center Prime with the gross leasing area equal to 8,853 square meters and associated land plot of 0.15 ha².

Scheme 1. Group structure.



d. Significant events in H1 2021

In April 2021 the Company has received USD 1.2 million of interests from the Parent company according the intragroup loan agreement and has processed scheduled coupon payment in the amount of CZK 20.6 million (USD 0.9 million).

¹ Based on the unaudited data of the issuer

² Based on the last independent valuation report of the Property for the year ended 31 December 2020 performed by CBRF

The Company has also made additional issue of 35 000 Bonds (the "Additional issue") for total nominal value of CZK 350 million (converted into approx. USD 16.5 million) on 30 June 2021 (the "Additional issue date").

Additional issue has been performed to provide next tranche of loan to the Parent Company in the amount of USD 16.5 million that was intended for the dividend pay-out in H2 2021.

Other than that, the Parent Company does not expect any other material external financing to support its own and the Group's activities.

e. History and Development of the Company, the Parent Company and the Group

History and Development of the Company

The Company was established on 10 December 2018 according to Czech law as a limited liability company with the business name MAMELUCK, s.r.o. The Company was registered in the Commercial Register maintained by the Municipal Court in Prague under File No. C 307124 on 1 January 2019.

During 2019, the NUPEH acquired the Company under its initial business name, MAMELUCK, s.r.o. The business name of the Company was changed to its current business name by decision of the sole shareholder on 2 December 2019.

History and Development of the Parent Company and the Group

On 1 November 2016, NUPEH purchased 100% interest in East Gate project through acquiring 100% corporate rights in Turcosa Investments Limited and by acquisition of non-performing debt payable by AICEE II Finance Cyprus Limited.

On 12 December 2016, NUPEH purchased 100% interest in Piramida project through acquiring 100% corporate rights in 1849-Apollo Overseas I.

On 19 December 2016, NUPEH purchased 60% interest in the West Gate project through acquiring 60% corporate rights in GLD Logistic Park Holding Limited and SZ Harbour Finance Limited and by acquisition of non-performing debt payable by SZ Harbour Finance Limited. During 2018, the remaining 40% of the participatory interest GLD Logistic Park Holding Limited was purchased by NUPEH. Thus NUPEH is the sole owner of GLD Logistic Park Holding Limited.

On 8 June 2017 NUPEH purchased two Cyprus entities, Orbelson Holdings Limited and Glanston Holdings Limited, owning two Ukrainian entities, Property Management Solutions One LLC (PMS One) and Property Management Solutions Two LLC (PMS Two).

On 27 September 2017, PMS One and PMS Two acquired from a third party two business centres, Eurasia and Prime, respectively. As part of the transaction, NUPEH has also purchased from the same third party 100% interest in Mevalor Holdings Limited (Cyprus), which, in its turn, is the majority owner of Property Management Services LLC (PMS) that is involved in provision of maintenance services to the Group.

On 23 January and on 14 June 2018, NUPEH increased the share capital of Turcosa Investments Limited by USD 7,443,000 and by USD 12,749,000 respectively.

On 5 June 2018, 100% of shares of AICEE II Finance Cyprus Limited were transferred from Turcosa Investments Limited to New Ukraine PE Holding Limited.

On 27 June 2018, NUPEH purchased from a third party additional 40% interest in West Gate Logistic through acquiring 40% corporate rights in GLD Logistic Park Golding Limited and SZ Harbour Finance Limited and by acquisition of debt payable by SZ Harbour Finance Limited.

On 16 April 2019, 100% of shares of East Gate Logistic LLC were transferred from Borlog LLC to AICEE II Finance Cyprus Limited. Further, AICEE II Finance Cyprus Limited disposed of Borlog LLC to a third party for insignificant consideration.

During 2019 NUPEH increased the share capital of 1849-Apollo Overseas I Limited with the amount of USD 150,000, the share capital of Orbelson Holdings Limited and Glanston Holdings Limited both with the amount of USD 15,000 and share capital of GLD Logistik Park Holding Limited in amount of USD 14,000.

During 2019, NUPEH acquired the Company (then under the business name MAMELUCK, s.r.o.).

On 23 June 2020, the Group's Cypriot Subsidiaries, such as 1849-Apollo Overseas I Limited, Mevalor Enterprises Limited, Glanston Holdings Limited, Orbelson Holdings Limited, AICEE II Finance Cyprus Limited, Turcosa Investments Limited, GLD Logistik Park Holding Limited, SZ Harbour Finance Limited and EGL Holding Limited, have transferred all their assets to NUPEH. All such Cypriot subsidiaries are planned to be liquidated and removed from the Group in 2021.

f. Business Objectives

The Company was established for the purpose of the Issue as the main activity of the Company includes providing financial means acquired through the Issue to the affiliates in the Group by means of a loan, credit facility or other forms of financing. The Company does not currently perform any other activities.

g. Principal Markets and Business Overview

Principal Markets and Business Overview of the Company

With respect to its main activities, the Company does not compete on any market and does not have any relevant market shares or market position.

Meanwhile, the Company was acquired by NUPEH for purposes of acquiring financial means and their further provision to affiliated companies in the Group by means of loan, credit facility or other means of financing. The ability of the Company to meet its obligations under the Issue may be significantly affected by the ability of the Parent Company or relevant company from the Group to meet their obligations towards the Company. This fact contemplates dependence of the source of the Company's income on the relevant companies from the Group and their financial results.

Principal Markets and Business Overview of the Parent Company and the Group

NUPEH is active on the Retail Real Estate Market, the Office Real Estate Market and the Warehouse Real Estate Market of Ukraine, Kyiv region. NUPEH aims to utilize the potential to improve operational efficiency of the assets due to proactive management and benefit from economies of scale such as stronger negotiation power with tenants, contractors and suppliers.

NUPEH controls an investee when it is exposed to, or has right to, variable returns from its involvement with the Parent Company and has the ability to affect those returns through its power over the investee. The investees Atlantic-Pacific Ventures LLC, East Gate Logistic LLC, West Gate Logistic LLC, Property Management Solutions One LLC and Property Management Solutions Two LLC own real estate assets and are entitled to receive associated rental revenues. Other investees receive cash flow stream in the form of loan receivables or dividends.

The total gross building area (GBA) operated by the Group was 208,901 square meters as of 30 June 2021 and the breakdown is as follows:

- Retail – 20,790¹ square meters (10%);
- Offices – 42,562 square meters (20%); and
- Warehouses – 145,549 square meters (70%)².

The total gross leasable area (GLA) operated by the Group is 197,843 square meters and the breakdown is as follows:

- Retail – 15,887 square meters (8%)³;
- Offices – 36,708 square meters (19%); and
- Warehouses – 145,248 square meters (73%)².

NOI of the Group for the first six months of the year ended 30 June 2021 was USD 9.8 million, and is divided as follows:

- Retail – 23% for the first six months of the year ended 30 June 2021;
- Offices – 37% for the first six months of the year ended 30 June 2021; and
- Warehouses – 40% for the first six months of the year ended 30 June 2021³.

LTV of the Group as of 30 June 2021 was 48%⁴.

Overview of the real estate projects operated by the Group

Piramida

Piramida is a convenience-based community shopping center located at 4 O. Myshuhy St. in a high-rise densely populated Darnytskyi residential district, with an official population of 345,000 people. Piramida benefits from top-notch location in 100 meters from the busy Pozniaky metro station. Piramida has two levels anchored by hypermarket Silpo, one of the biggest supermarket chains in Ukraine, as well as a Foxtrot electronics chain and Citrus electronics & mobile chain. Retail gallery is focused on everyday shopping needs with reputable tenants in health & beauty, drogerie, fashion, and children goods segments. National food & beverage operator Puzata Hata complements the retail offering.

The Group is currently expanding its project Piramida (addition of new retail area, increasing retail GLA by approx. 3,300 square meters, construction of 6-floor office building next to the mall with total GLA of approx. 3,300 square meters of GLA, and renovation of internal areas and communications). Total cost for the first six months of the year ended 30 June 2021 amounted to USD 3.0 million of the total USD 7.5 million expected to utilize in 2021. This expansion aims to improve the competitive advantages of Piramida, its tenant mix and bring additional NOI².

Key Statistics:

- GBA – 20,790 square meters¹;
- GLA – 15,887 square meters³;
- Vacancy: 7% as of 30 June 2021 (+7p.p. year-on-year) comprising newly commissioned premises³;
- Average monthly base rent: USD 37.7/square meter as of June 2021 (+19% year-on-year)³;

¹ Based on the state register containing technical information about the Property

² Based on the last independent valuation report of the Property for the year ended 31 December 2020 performed by CBRE

³ Based on the unaudited data of the issuer

⁴ Based on Valuation Report of the Property for the year ended 31 December 2020 performed by CBRE and unaudited data of the Issuer. LTV comprises total financial debt including senior bonds and a junior loan divided by the total valuation of the properties

- Footfall (for the first six months of the year ended 30 June 2021): 2.4 million people (+5% year-on-year)¹;
- Value as of 30 June 2021: USD 50,400,000 (+0.2% year-on-year)²;
- NOI: USD 2,233 thousand for the first six months of the year ended 30 June 2021 (+3% year-on-year)¹.

Key Tenants:

- Silpo (hypermarket): area of 1,596 square meters, lease agreement ending in December 2030;
- Ukrzoloto (jewelry): area of 417 square meters, lease agreement ending in May 2024;
- Brocard (health & beauty): area of 343 square meters, lease agreement ending in July 2021. As of June 2021 it was planned to prolong the agreement;
- Citrus (electronics): area of 452 square meters, lease agreement ending in June 2023;
- Smik (children goods): area of 559 square meters, lease agreement ending in January 2024¹.

Key Competitors:

- River Mall. Location: 12 Dniprovska Embankment, Kyiv, 02000, 2.5 km from Piramida. GLA: 55,000 square meters. River Mall is a large-scale traditional shopping and entertainment center delivered in 2019;
- Aladdin. Location: 3A Mykhaila Hryshka St., Kyiv, 02000, 500 m from Piramida. GLA: 11,000 square meters. Aladdin is a small-scale convenience-based shopping center;
- New Way. Location: 1 Arkhitektora Verbyts'koho St., Kyiv, 02000, 2.2 km from Piramida. GLA: 15,000 square meters. New Way is a small-scale convenience-based shopping center opened in 2016;
- Arcadia. Location: 33 Dniprovska Embankment, Kyiv, 02000, 2 km away from Piramida. GLA: 18,500 square meters. Arcadia shopping center is a small-scale convenience-based shopping center opened in 2008.

Eurasia

Eurasia is an A-class operating business center located in Kyiv CBD area, at 75 Zhylianska Street, connecting the central part with the major city thoroughfare Peremohy Ave. The property benefits from good transport and pedestrian accessibility. Vokzalna metro station is located in 10 minutes walk from the business center and Universytet metro station is located in 15 minutes walk from the business center. Olympiiska and Palats Sportu metro stations are easily accessible via public transport roots of trolleybuses and shuttle buses passing along Zhylianska Street. The property was commissioned in 2007. Each floor has open-space layouts from 840 square meters to 3,200 square meters making it possible to implement necessary office configuration required by the tenants.

Key Statistics:

- GBA: 33,423 square meters²;
- GLA: 27,855 square meters²;
- 13 levels;
- 2-level underground parking with 151 parking lots and 71 surface parking lots (42 parking lots leased from the city council)²;
- Vacancy: 18% as of 30 June 2021 (+13p.p. year-on-year)¹;
- Average monthly base rent: USD 18.5/square meter as of June 2021 (+12% year-on-year)¹;

¹ Based on the unaudited data of the issuer

² Based on the last independent valuation report of the Property for the year ended 31 December 2020 performed by CBRE

- Value as of 30 June 2021: USD 51,100,000 (-6% year-on-year)¹;
- NOI: USD 2,633 thousand for the first six months of the year ended 30 June 2021 (-14% year-on-year)².

Key Tenants:

- Lohika: area of 3,325 square meters, lease period ending in February 2023 for 1,900 square meters and in March 2022 for 1,425 square meters;
- PricewaterhouseCoopers: area of 3,489 square meters, lease agreement ending in August 2026;
- Global Message Services: area of 2,333 square meters, lease agreement ending in June 2023;
- Microsoft Ukraine: area of 2,289 square meters, lease agreement ending in March 2022;
- PRA Health Sciences: area of 1,667 square meters, lease agreement ending in September 2023².

Prime

Prime is an A-class operating business center located in Kyiv CBD area, at 48-50 Zhylianska Street, one of the city's central streets, connecting the central part with the major city thoroughfare Peremohy Ave. The property has good transport and pedestrian accessibility from the closest metro station Olimpiiska located within 900 metres and within 10 minutes walk. Universytet and Lva Tovstoho metro stations are located in within 1.5 kilometres and within 15-20 minutes walk. The property benefits from its high profile surroundings with developed infrastructure and closeness to major transportation hubs. Typical office floor of approx. 850 - 900 square meters flexible layouts allow adapting space to individual tenants' needs.

Key Statistics:

- GBA: 9,140 square meters¹;
- GLA: 8,853 square meters¹;
- 9 levels;
- 4 underground parking lots, surface parking for additional 69 parking lots (leased from the city council)¹;
- Vacancy: 19% as of 30 June 2021 (+16.8p.p. year-on-year)²;
- Average monthly base rent: USD 18.9/square meter as of June 2021 (+10% year-on-year)²;
- Value as of 30 June 2021: USD 15,700,000 (-7% year-on-year)¹;
- NOI: USD 984 thousand for the first six months of the year ended 30 June 2021 (+13% year-on-year)².

Key Tenants:

- Deloitte: area of 2,146 square meters, lease agreement ending in July 2025;
- Sanofi: area of 2,688 square meters, lease agreement ending in September 2022;
- Miele: area of 658 square meters, lease agreement ending in June 2025 for 628 square meters;
- Corevalue: area of 807 square meters, lease agreement ending in October 2021;
- OTP Bank: area of 304 square meters, lease agreement ending in January 2023².

Key Competitors for Eurasia and Prime:

101 Tower. Location: 57 Lva Tolstoho St., Kyiv, 01032, in 250 m to Eurasia BC and in 1 km from Prime BC. GLA: 43,000 square meters. The property is A-class business center delivered in 2012.

¹ Based on the last independent valuation report of the Property for the year ended 31 December 2020 performed by CBRE

² Based on the unaudited data of the issuer

Dynastia. Location: 46 Antonovycha St., Kyiv, 02000, in 1.2 km from Eurasia BC and in 600 m from Prime BC. GLA: 8,000 square meters. The property is an A-class business center delivered in 2015.

Senator. Location: 32/2 Moskovska St., Kyiv, 01010, in 3.2 km from Eurasia BC and in 2.9 km from Prime BC. GLA: 43,000 square meters. The property is A class BC delivered in 2013 with standard efficient layouts, large lobby in terms of area and materials.

Astarta. Location: 58 Yaroslavska St., Kyiv, 04071, in 3.9 km from Eurasia BC and in 4.3 km from Prime BC. GLA: 28,000 square meters. Astarta is a new business center delivered in three phases in 2016-2018 with standard efficient layouts, BREEAM certification, and lower rents as major competitive advantages.

Leonardo. Location: 19/21 Bohdana Khmel'nyts'koho St., Kyiv, 01030, in 1.3 km from Eurasia BC and in 1.4 km from Prime BC. GLA: 29,000 square meters. Leonardo has a prime location in the historical center of the city, especially for tenants from the business services and consulting industry, and potentially comparable in building quality.

Parus. Location: 2 Mechnikova St., Kyiv, 02000, in 2.2 km from Eurasia BC and in 1.6 km from Prime BC. GLA: 58,000 square meters. Parus business center is mainly competitive due to more central location, however, being more expensive for tenants. A good view from the higher floors also is considered an advantage.

Europassage. Location: 58/10 Simi Prakhovykh St., Kyiv, 01033, in 700 m from Eurasia BC and in 500 m from Prime BC. GLA: 20,000 square meters. Europassage is less competitive in terms of quality being B class property with less presentable lobby, materials of fit-out, less efficient layouts and is situated on the secondary street with the less attractive surrounding area. At the same time, being located in the same area, Europassage has a lower rental level, which may be preferable for occupiers with a cost-cutting strategy.

Karat. Location: 110 Zhylianska St., Kyiv, 02000, in 300 m from Eurasia BC and in 1.1 km from Prime BC. GLA: 6,000 square meters. Karat business center is considered as a minor competitor due to close location in the same, however, the property is less competitive in terms of quality being B class property with less presentable lobby, materials of fit-out, less efficient layouts.

East Gate Logistic

East Gate Logistic is a class A operating warehouse, located at 28 Zaporizka St., Boryspil, Kyiv region, Ukraine. The property benefits from the favorable location on the East (Left) Bank of Dnipro River within approx. 15 km from the Kyiv city boundaries, 20 km from the nearest metro station Boryspilska and 5 km from Kyiv Boryspil International Airport. East Gate Logistic is easily accessible via Zaporizka St. from M-03, E-40 highway connecting Kyiv to Kharkiv. Furthermore, the property can be reached from Brovary – Boryspil Ring Road connecting to M-01, E-95 Kyiv – Chernihiv highway heading northwards to Belarus.

East Gate Logistics was commissioned in 2007. Structurally the building constitutes of two adjacent blocks. The property complies with A-class warehouse requirements having 12 meters x 24 meters column grid and 12 meters clear height within the warehouse premises.

Key Statistics:

- GBA: 49,198 square meters¹;
- GLA: 49,027 square meters¹;
- Vacancy: 6.3% as of 30 June 2021 (no change year-on-year)²;

¹ Based on the last independent valuation report of the Property for the year ended 31 December 2020 performed by CBRE

² Based on the unaudited data of the issuer

- Average monthly base rent: USD 5.3/square meter as of June 2021 (+7% year-on-year)¹;
- Value as of 30 June 2021: USD 19,900,000 (-12% year-on-year)²;
- NOI: USD 1,428 thousand for the first six months of the year ended 30 June 2021 (+8% year-on-year)¹.

Key Tenants:

- Auchan: area of 33,832 square meters, lease agreement ending in July 2022;
- Fiege: area of 12,125 square meters, lease agreement ending in July 2024 for 12,039 square meters and in November 2021 for 86 square meters¹.

Key Competitors:

BF Martusivka. Location: 72 Moiseyeva St., Martusivka, Kyiv Oblast, 08343, 15 km from East Gate Logistics. GLA: 70,000 square meters. BF Martusivka is considered as a competitive warehouse scheme due to location in the surrounding area and comparable quality. BF Martusivka is also larger in scale with higher vacancy.

West Gate Logistic

West Gate Logistic is a class A operating warehouse, located at 21st kilometer of Zhytomyr Highway in Stoyanka village, Kyiv-Sviatoshyno District, Kyiv region, Ukraine. Distance to Kyiv city boundaries is only 1 km. Kyiv Rind Road is 8 km away from the property. Closeness to the city provides proximity to labor pools of the Right (Western) Bank of Kyiv and Kyiv region. West Gate Logistic benefits from façade location to Zhytomyr Highway (M-06, E-40), connecting Kyiv to Lviv and Western border with EU.

West Gate Logistic is one of the largest warehouse complexes in Kyiv and was built in two phases, both commissioned in 2008. The property has 12 meters x 24 meters column grid with 12 meters clear height within the warehouse space typically required by occupiers in line with A-class warehouse standards. The property is occupied by high profile tenants, predominantly logistic operators and retail companies.

Key Statistics:

- GBA: 96,351 square meters²;
- GLA: 96,221 square meters²;
- Vacancy: 0.3% as of 30 June 2021 (no change year-on-year)¹;
- Average monthly base rent: USD 4.5/square meters as of June 2021 (+3% year-on-year)¹;
- Value as of 30 June 2021: USD 35,800,000 (-10% year-on-year)²;
- NOI: USD 2,555 thousand for the first six months of the year ended 30 June 2021 (+1% year-on-year)¹.

Key Tenants:

- Ekol: area of 33,368 square meters, lease agreement ending November 2021 for 32,591 square meters and in February 2022 for 777 square meters;
- Logistic-plus: area of 22,029 square meters, lease agreement ending in November 2021;
- DC Ukraine (Watsons): area of 18,404 square meters, lease agreement ending in December 2024;
- Good Wine: area of 9,807 square meters, lease agreement ending in February 2024
- Bohnenkamp AG: area of 4,991 square meters, lease agreement ending in December 2021¹.

¹ Based on the unaudited data of the issuer

² Based on the last independent valuation report of the Property for the year ended 31 December 2020 performed by CBRE

Key Competitors:

MLP Chaika. Location: 1A Aviakonstruktora Antonova St., Chaiky, Kyiv Oblast, 08130. GLA: 114,000 square meters. MLP Chaika is an ambient warehouse comparable in quality located in the same direction - Zhytomyr Highway (M-06, E-40). While MLP Chaika is located closer to Kyiv Ring Road in 4.5 km, the property has no façade location to the highway M-06, E-40 on the secondary road with less convenient access.

Amtel. Location: 10 Soborna St., Petropavlivska Borshchahivka, Kyiv Oblast, 08130. GLA: Phase I – 41,000 square meters, Phase II – 52,000 square meters. Amtel is a newer warehouse property consisting of two phases, with Phase I delivered in 2011 and Phase II was partially delivered in 2020. Being more competitive in quality and providing availability of new space, Amtel Phase II considered as the main competitor for West Gate Logistics.

h. Investments

Investments in H1 2021

The Company did not make investments in current or non-current assets during the half-year ended 30 June 2021.

Future investments

Given the Company's business objectives, the Company does not plan any major future investments.

In respect to the Parent Company and its subsidiaries, the Group plans to continue the expansion of its retail project Piramida. The expansion constitutes approx. 6,600 square meters of additional GLA, modernization of the mall's facade and modernization of parking.

In the course of H1 2021 the Group utilized ca. USD 3.0 million of capital expenditures for the Piramida's expansion project and plans to spend ca. USD 4.5 million in H2 2021 to finalize the project.

The phase from Metro side was commissioned in May 2021, while the expected date of putting the office premises into operations is the end of 2021. This expansion is expected to improve the competitive advantages of Piramida, its tenant mix and bring additional NOI.

i. Research & Development

In H1 2021, the Company did not carry out any research and development activities and as a result did not incur any research and development costs.

j. Change of Control

There are no known arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

k. Legal and Arbitration Proceedings

In H1 2021, neither the Company nor the Parent Company have not been a party to any governmental, legal or arbitration proceedings (including those that are pending or threatened of which the Company is aware) which may have, or have had in the recent past a significant effects on the Company's and the Group's financial standing or profitability.

2. Corporate governance, risks the Company may be exposed in relation to the financial reporting process and risk management procedures, system of internal control

a. Parent Company

Given the ownership interest in the Company is held solely by the Parent Company, therefore no shareholders meeting is being held and the Parent Company exercises the power of the general meeting of the Company. General meeting of the Company may decide, in addition to the matters specified in the Act on Business Corporations, on:

- Amendments to the Articles of association,
- Winding up of the company with liquidation and appointment and removal of the liquidator,
- Approval of the lease of the objects or their fundamental part, and
- determination of a business strategy.

All decision made by the Parent Company are adopted by the Managing Director of the Company.

b. Supervisory and Control Bodies.

The Company does not have supervisory bodies and is governed by the Managing Director. Controlling functions are performed by the Audit Committee.

c. Managing Director

The Managing Director is the statutory body of the Company. The Managing Director is responsible for the business management of the Company and for any other powers that are not entrusted to another body of the Company by the Articles of Association, the law or a decision of a competent public authority. The Managing Director ensures the proper accounting, presents to the Parent Company for approval the ordinary, extraordinary, consolidated and, if any, interim financial statements and the proposal for the distribution of profit or settlement of a loss in accordance with the Articles of Association. The Managing Director is appointed and removed by the Parent Company.

The Managing Director represents the Company independently.

As at the date of the Annual Report, the Managing Director of the Company is:

Natalia Zolotarova, born on 2 May 1977.

Business address: 36D Saksahanskoho St., Kyiv 01033, Ukraine

Date of appointment: 3 December 2019

Experience and other relevant information: Mrs. Natalia Zolotarova (born on 2 May 1977) has joined the Group at the very beginning in May 2001 as an accountant and rose to the position of the Deputy CFO of the Dragon Capital Group, a leading international investment company in Ukraine. At that position she was responsible for treasury management and financing planning, negotiations with banks, tax planning, optimization of the intercompany cash flows, assistance and supervision of the internal and external audit of the group, budgeting and cost management.

Natalia has over 20 years of professional experience on the stock market and a proven track record of more than 100 deals in private equity, deals structuring and settlements including real estate market of Ukraine, M&A, bond issuances, capital markets.

Natalia Zolotarova graduated from Kiev National University of Economics, Ukraine. She holds a specialist degree in International Business Administration

She is a fellow member of the Association of Auditors of Ukraine since 2003.

d. Audit Committee

Audit Committee was established on 19 March 2021 for the purpose of performing the controlling functions of the Company. Basic function of the Audit Committee is supervision over the process of setting up of the financial statements and system of effectiveness of internal control and internal audit.

The Audit Committee is represented by 3 (three) non-executive members, who are elected and removed by the General Meeting from members of the Supervisory Board or third parties. Majority of members of the Audit Committee are independent of the company and professionally qualified. Term of office of a member of the Audit Committee is 3 (three) years. Re-election of a member of the Audit Committee is possible.

During H1 2021 one member of the committee has been changed.

e. Remuneration of Managing Director and Audit Committee

The remuneration of the Managing Director equals zero. Two out of three members of the Audit Committee are engaged on a paid basis with total annual service fee CZK 50 thousand, while one member is working on a non-remunerated basis.

f. Shares and other securities held by the Managing Director

The ownership interest in the Company is held solely by the Parent Company and no shares in the Company are held by the people with managerial authority in the Company.

g. Declaration on Conflict of Interest Compliance with the Corporate Management and Governance Regime

The Company is not aware of any potential conflict of interest between the obligations of the Managing Director towards the Company and her private interest or other obligations, however during the performance of her function of Managing Director a conflict of interest may arise due to the fact that the Managing Director is also a member of the bodies of other companies and follows the interests of such companies or those of the persons controlled by such companies.

h. Compliance with the Corporate Management and Governance Regime

The Company complies with all the due administration and management requirements set by the applicable laws and regulations of the Czech Republic, in particular the Civil Code and the Act on Business Corporations, if applicable. In its administration and management, the Company follows the corporate governance and management requirements arising from the applicable laws and regulations, which it considers sufficient and therefore does not follow any rules specified in any corporate governance and management code.

i. Risks the Company may be exposed in relation to the financial reporting process and risk management procedures

The company is exposed to some risks and uncertainties related to the financial reporting process. The materialization of any such risks could have a material adverse effect on the company's business, financial condition, results of operations and future prospects.

The Company's internal control system consists mainly of internal control mechanisms and active supervisory activities, as well as external audits conducted annually for the current accounting period. The

results of the audit are presented to the Audit Committee and the Parent Company, which draw the conclusions and follow-up.

The Parent Company is within the internal control system responsible for:

- reliability and information sharing;
- compliance with generally binding legal regulations and internal procedures;
- assets protection and proper use of resources;
- achieving the set goals.

j. Policies in Relation to Protection of the Environment and Labor Rights

While doing business, the Company undertakes to:

- provide employees with a safe workplace and appropriate training;
- strictly observe the statutory limitations which regulate the impact of its activities on the environment (limits on pollution, limits on consumption)

In respect to protection of the environment, the Company aims, as far as is reasonable, to use the best available technology in relation to environmental protection and the utilization of energy sources. In its day-to-day activity, the Company strives to continually improve its environmental performance, aiming to:

- save natural resources and minimise waste creation where possible;
- promote the environmentally friendly approach in relations with clients and counterparties;
- be environmentally responsible and conserve natural resources by means of recycling;

Currently there are no employees in the Company however the Company sees the importance to protection of labor rights and defines a set of minimum labour standards that are:

- safe and healthy workplace environment;
- non discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or social origin, caste, religion, gender, sexual orientation, political affiliations, age or other conditions that could give rise to discrimination, unless required by law;
- treating all employees with dignity and respect;
- compliance with applicable national laws and regulations on working hours, holiday entitlements as a minimum standard and regulations regarding wages and benefits.

k. Policies in Relation to Anti-money Laundering

The Company ensures that it does not deal with the proceeds of crime or participate in any activity that might facilitate money laundering or the funding of terrorist or criminal activities.

The concept of Know Your Customer (KYC) is critical in all aspects of the Company's business. As general rule, the Company gathers information about the counterparties. The information is the starting point for anti-money laundering identification procedures. Because of the risk that the counterparty could be involved in criminal activity, the Company will consider, depending on the nature of the proposed transaction, not effecting a transaction prior to verifying information about the counterparty.

In order to manage and mitigate risks stated above, Company operates a strict KYC policy when establishing business relationship with services providers. Counterparties are categorized in accordance with AML law and best market practice.

Taking into consideration the assessed risks, the Company determines the type and extent of measures it adopts in order to manage and mitigate the identified risks in a cost effective manner.

3. Information on Equity

Under the laws of Czech Republic, the Company, as a limited liability company, does not issue any share capital shares or similar securities. The Company also did not acquire or possess own shares during the reporting period.

The ownership interest in the Company is held solely by NUPEH. As of 30 June 2021, the registered capital in the amount of USD 9 thousand (CZK 200 thousand) is a business share of NUPEH. In H1 2021, a contribution outside of the registered capital occurred in the amount of USD 550 thousand by NUPEH and after this increase the total amount of contribution outside of the registered capital by NUPEH amounts to USD 2.1 million.

4. Financial Situation

a. Risk and uncertainties related to the Company

From the Company's perspective, there are the following main risk factors that may adversely impact its financial and economic standing, business and ability to meet its obligations under the Issue:

Risk of a secondary dependence

The Company is part of group consisting of the Parent Company and its direct or indirect subsidiaries (the Group and the subsidiaries as the Subsidiaries). As such the issuer is exposed to a secondary risk of dependence on risks relating to the Group whose activities includes investing in real estate sector in Ukraine. Due to the Company's dependence on the Group, all risk factors related to the Group described below may adversely affect the Issuer's ability to repay its debt from the Issue. The risk of secondary dependence may adversely affect the Company's ability to pay off the debts arising from the Issue.

Risk of a special purpose-established company

The Company is a special purpose-established vehicle established for the purpose of the Issue and subsequently providing intra-group financing and does not engage in any other business activity and therefore cannot create resources from other business activities to pay off the debts arising from the Issue. The risk of the Company's credit dependence on the Group may therefore adversely affect the Issuer's ability to meet its debt obligations.

b. Risks related to the Parent Company's and the Group's business

The Parent Company is an investment and holding company, which means that if the Subsidiaries fail to make a profit, they will not be able to pay the Parent Company a share of the profits in the form of dividends or repayment of the intragroup loan. The Parent Company is therefore indirectly affected by the risk factors affecting the business of the Subsidiaries.

The following are the main risk factors that may adversely impact the financial and economic standing and business of the Parent Company and the Group:

The Group is dependent on external contractors to develop and enlarge the projects

The Group's reliance on general contractors and individual contractors also exposes the Group to risks associated with any poor performance or work ethic of such contractors and their subcontractors and employees, construction defects and financial instability of the contractors and their subcontractors.

Credit Risk

The Parent Company provides unsecured loans to its Subsidiaries. Recoverability of these loans depends on operation results of the Parent Company's investees owning the income generating real estate. If the investees are unable to repay the loans provided by the Parent Company, it would ultimately affect the business of the Parent Company and the Group.

The legislative steps taken by the Ukrainian Government in response to the COVID-19 outbreak affect the Group's business

In response to the COVID-19 outbreak, the Parliament of Ukraine adopted a number of laws supporting the tenants during the lockdown period by allowing them to demand a rent reduction from the lessors, provided that the tenants had no objective possibility to use the leased real estate. As a result of the abovementioned initiatives and possible measures that can be undertaken in future by the Ukrainian Government to address COVID-19 implications, the Group bears a risk of NOI decrease.

The Group's ownership interests or lease rights in land may be challenged

There is a risk that the state registrars or a third party may challenge ownership interests or lease rights in land because of their origin or former registration or for other reasons. This may lead to additional expenses and title risks for the Group.

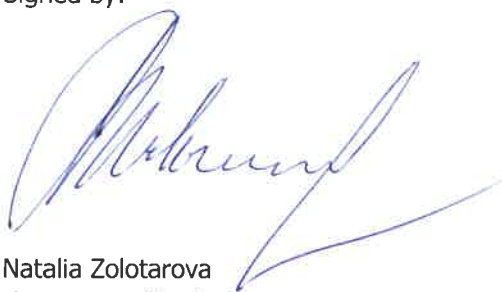
Property Risk

Property and property related assets are inherently difficult to value due to the individual nature of each property and the fact there may not be a liquid market or pricing mechanism available. As a result, valuations may be subject to substantial uncertainty.

c. Audit fees

The total fees invoiced by auditors for the audit services of FS were USD 51.6 thousand without VAT including paid overtimes. The audit of the condensed interim financial statements of the company for H1 2021 has not been conducted.

Signed by:



Natalia Zolotarova
(Managing director)

**Exhibit I: Condensed Interim
Financial Statements for H1 2021
(Unaudited)**

Condensed statement of financial position

as at

30 June 2021

Name of accounting unit

NUPEH CZ s.r.o.

Registered office, residence or place
of business of accounting unit

Antala Staška 1859/34, 140 00 Prague 4

(USD '000)

	Notes	30 June 2021	31 December 2020
ASSETS			
Assets			
Cash and cash equivalents	4	17 251	116
Receivables from derivatives	10	1 421	1 696
Provided loans	5	29 993	29 165
Trade and other receivables	6	550	1 400
<i>Other receivables</i>		550	1 400
Deferred receivables	6	1	0
Total assets		49 216	32 377
EQUITY AND LIABILITIES			
Liabilities			
Issued bonds	8	48 460	32 056
Payables from derivatives	10	591	0
Trade and other liabilities	9	14	1
<i>Trade liabilities</i>		14	1
Deferred liabilities	9	17	29
Total short-term liabilities		49 082	32 087
Equity			
Registered capital	7	9	9
Other capital accounts	7	2 060	1 510
Retained earnings	7	-1 935	-1 229
- Retained earnings		-1 229	-17
- Profit or loss		-706	-1 212
Total equity		134	290
Total equity and liabilities		49 216	32 377

Condensed statement of profit or loss and other comprehensive income

for the six months ended 30 June 2021

Name of accounting unit
NUPEH CZ s.r.o.

Registered office, residence or place
of business of accounting unit

Antala Staška 1859/34, 140 00 Prague 4

(USD '000)

	Notes	Six months ended 30 June 2021	Six months ended 30 June 2020
Interest income calculated using the effective interest rate	13	1 195	0
Interest expenses	13	-1 040	0
Net interest income		155	0
Result on derivatives	13	-945	0
Foreign exchange gain/ loss	13	176	-4
Impairment losses on financial instruments	13	-17	0
Other operating expenses	12	-75	-6
Profit (loss) before tax		-706	-10
Income tax liabilities	11	0	0
Deferred tax receivables	11	0	0
Profit (loss) for period		-706	-10
Other comprehensive income		0	0
Total comprehensive income for the period		-706	-10
Profit attributable to:			
Equity holders of the Company		-706	-10
Total comprehensive income attributable to:			
Equity holders of the Company		-706	-10

Condensed statement of cash flow
for the six months ended 30 June 2021

Name of accounting unit
NUPEH CZ s.r.o.
Registered office, residence or place
of business of accounting unit

Antala Staška 1859/34, 140 00 Prague 4

(USD '000)

	Six months ended 30 June 2021	Six months ended 30 June 2020
Operational cash flow statement		
Net profit (loss) for the period	-706	-10
Adjustments for non-cash transactions:		
impairment loss	17	0
revaluation of derivatives	945	
Interest expense	1 040	0
interest income	-1 195	0
unrealised currency exchange difference	-22	
	79	-10
Adjustments for changes in working capital:		
reduction (increase) in balance of trade receivables, other receivables and accruals	-1	-84
increase (reduction) in balance of trade liabilities, other receivables and accruals	2	46
Total cash flows from operations	80	-48
Cash flows from investments		
Expenses related to acquisition of intangible and tangible assets	0	0
Total cash flows from investments	0	0
Cash flows from financing		
Loan granted to parent company	-800	0
Loans and credits received	16 404	9
Interest paid	-965	0
Closing of forward contract	-134	0
Interest received	1 150	0
Additional capital received	1 400	110
Total cash flows from financing	17 055	119
Net increase in cash and cash equivalents	17 135	71
Balance of cash and cash equivalents as at start of period	116	0
Increase (reduction) during period	17 135	71
equivalents as at end of	17 251	71

Condensed statement of changes in equity

for the six months ended 30 June 2021

Name of accounting unit

NUPEH CZ s.r.o.

Registered office, residence or place
of business of accounting unit

Antala Staška 1859/34, 140
00 Prague 4

(USD '000)

	Registered capital	Capital accounts	Retained earnings	Equity
Balance as at 1 January 2020	9	110	-17	102
Profit/ loss for the period			-10	-10
Other comprehensive income				0
Balance as at 30 June 2020	9	110	-27	92

(USD '000)

	Registered capital	Capital accounts	Retained earnings	Equity
Balance as at 1 January 2021	9	1 510	-1 229	290
Profit/ loss for the period			-706	-706
Other comprehensive income				0
Deposit outside share capital		550		550
Balance as at 30 June 2021	9	2 060	-1 935	134

1 Background

(a) Organisation and operations

NUPEH CZ s. r. o. (the “Company”) is incorporated under the legislation of the Czech Republic upon registration in the Commercial Register on 01/01/2019 under file number C 307124, held at the Municipal Court in Prague. The Company’s registered office is located at Antala Staška 1859/34, Krč, 140 00 Prague 4, Czech Republic.

The sole shareholder of the Company is NEW UKRAINE PE HOLDING LIMITED with 100% ownership (the “Shareholder”), legal entity incorporated under legislation of Cyprus, registration number: HE 358309, having its registered office at 16 Iouniou 1943, 9 Area A, Flat/Office 202, 3022 Limassol, Republic of Cyprus.

The Company’s principal activity is financing activities. The net proceeds of the bonds issue was used for the purpose of intra-group loan provided by the Company to its shareholder

2 Basis of preparation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 «Interim Financial Reporting» as adopted by the EU. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2020. These condensed interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The results for the six-month period ended 30 June 2021 are not necessarily indicative of the results expected for the full year.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis, except for derivatives , which are carried at fair value as at 30 June 2021 and 31 December 2020.

(c) Functional and presentation currency

The functional currency of the Company as at and for the six months ended 30 June 2021 is US Dollars (“USD”).

Functional currency of the parent is USD. Based on the determination of Company’s management the Company does not carry out its own activities and acts as limited-purpose vehicle. Activities of the Company are carried out as an extension of the parent company, rather than being carried out with a significant degree of autonomy. Based on above the functional currency of the Company is USD and does not differ from parent.

The Company issued bonds in CZK and will repay them in CZK but due to the derivative, the payments will be converted from USD to CZK at the fixed rate. Proceeds from loan repayment will be received in USD, therefore, USD is the currency in which receipts from operating activities are retained.

Consequently, the management determined the USD to be the functional currency of the Company.

These financial statements are presented in the USD rounded to the nearest thousand, unless otherwise indicated.

(d) Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note 2 (c) – determination of the functional currency.

Note 14 (a) – determination of the loss allowance for expected credit losses.

(e) Going concern

The Company incurred net loss for the six months ended 30 June 2021 in amount of USD 706 thousand (for the six months ended 30 June 2020: USD 10 thousand). The main cause for the current period loss arises from the fair value change on the derivatives.

As at 30 June 2021 the Company has positive equity in the amount of USD 134 thousand (31 December 2020: USD 290 thousand).

The company's management considers that this is temporary situation, the current reported loss will be offset by the company's expected profits in future years, resulting mainly from the positive interest margin of the Shareholder, which guarantees the bonds issued by the company, is ready to provide sufficient resources for the future operation of the company.

The Company's loan to the Shareholder (please refer to Note 5) according to the contractual conditions is to be repaid before the maturity date of the bonds. The Company also purchased a cross currency swaps with J&T BANKA, a.s. to bridge the currency mismatch between the issued bonds in CZK and the provided loan in USD (please refer to Note 10).

Management believes that the measures that it undertakes, as described above, will allow the Company to operate on a going concern basis in the foreseeable future. These condensed interim financial statements are prepared on a going concern basis, which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

Implication of COVID-19

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Most governments around the world took increasingly stringent steps to stem the spread of the virus, including: requiring self-isolation/quarantine, social distancing and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures are gradually being lifted in many jurisdictions but the uncertainties remain as the pandemic still evolves.

Although these developments so far suggest that global economic growth is expected to be negatively affected by the spread of the disease and the resulting disruption to the economic activity, the financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

Due to specifics of the Company's operations, the COVID-19 pandemic did not have significant impact on the business activities of the Company in 2020 and during the six months ended 30 June 2021. Based on assessment of the Company's management as at the date of preparation of the financial statements, the above situation has no impact on the Company's ability to continue as a going concern.

The Parent has investments into five objects of investment property, located in Ukraine, being two logistics centres, two business centres and one shopping centre. All the Ukrainian operating companies operate at high margins which is common for this type of business with no significant decreases in 2020 and the six months ended 30 June 2021. The vacancy rates were not also significantly impacted by COVID-19. Therefore, COVID-19 pandemic does not have significant negative impact on the Parent or its investees and in consequence does not increase the credit risk associated with the loan granted to Parent.

(f) Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. During the six months ended 30 June 2021 and 30 June 2020, no transfer between levels of the fair value hierarchy was recognised.

3 Significant accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2020. A number of new standards are effective from 1 January 2021 but they do not have a material effect on the Company's financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of these transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rates as at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising in translation are recognised in profit or loss.

In preparation of these condensed interim financial statements for the translation of the operations and balances of the Company denominated in foreign currencies, management applied the Czech National Bank official exchange rates.

(b) Financial instruments

(i) *Recognition, initial measurement and derecognition*

Trade receivables are initially recognized when they are originated.

All other financial assets and financial liabilities are initially recognized on the date when originated. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(ii) *Classification and subsequent measurement of financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL to eliminate or significantly reduce an accounting mismatch:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

The Company's financial assets comprise trade and other accounts receivable, cash and cash equivalents and loans provided and are classified into the financial assets at amortised cost category. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Cash and cash equivalents comprise cash balances, call deposits and highly liquid investments with maturities of three months or less from the acquisition date that were subject to insignificant risk of changes in their fair value.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;

- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets – e.g. non-recourse asset arrangements; and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

(iii) *Classification and subsequent measurement of financial liabilities*

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it meets the definition of held-for-trading or it is designated as such on initial recognition.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Company measures all of its financial liabilities at amortized cost, except for derivatives which are measured at FVTPL

(iv) *Offsetting*

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company currently has a legally enforceable right to set off and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Company has a legally enforceable right to set off if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the Company and all counterparties.

(v) *Derivative financial instruments*

The Company holds derivative financial instruments to hedge its foreign currency risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(c) *Impairment*

The Company uses “expected credit loss” (ECL) model. This impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI.

The financial assets at amortised cost consist of trade and other accounts receivable and cash and cash equivalents and short-term deposits and loans

Loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company has elected to measure loss allowances for trade and other accounts receivable at an amount equal to lifetime ECLs.

Impairment on cash and cash equivalents is measured on a 12-month expected loss basis and reflects the short maturities of the exposures.

The Company has credit risk rating system and assesses debtors' solvency based on information obtained on regular basis. The Company considers there to have been a significant increase in credit risk since initial recognition if:

- the credit internal rating has deteriorated by two or more degrees since initial recognition;
- the receivable or part thereof is more than 30 days past due;
- the exposure has been designated as a exposure with forbearance;
- an individual assessment has been conducted by the management of the Company, which on the basis of available information, has determined that the receivable exhibits signs of an increased credit risk.

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

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a debt or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

In making an assessment of whether cash and cash equivalents are credit-impaired, the Company considers the following factors:

- significant financial difficulty of the bank;
- a breach of contract such as a default or a contractual payment being more than a couple of days past due;
- it is becoming probable that the bank will enter bankruptcy or other financial reorganisation.

Presentation of impairment

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

Impairment losses on financial assets are presented under “Impairment losses on financial instruments”.

(d) Finance costs and finance income

Finance costs comprises interest expense on loans and borrowings, unwinding of discount on financial liabilities and foreign exchange losses.

Finance income comprises interest income on funds invested and foreign exchange gains.

Interest expense and interest income are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs.

The “effective interest rate” is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Equity

(i) Reserves

Registered capital

Registered capital is represented by the capital paid by the shareholder.

Other capital accounts

Other capital accounts is represented by the contribution outside of the registered capital from the shareholder.

Retained earnings

Retained earnings include accumulated profits and losses incurred by the Company.

(f) Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Cash and cash equivalents

Cash and cash equivalents were as follows:

	30 June 2021	31 December 2020
<i>(in thousands of USD)</i>		
Cash on bank accounts	17,251	116
	<u>17,251</u>	<u>116</u>

The Company holds funds with financial institutions in the Czech Republic, which are subject to regulatory supervision. Any impairment of funds was considered based on expected losses for twelve months and the Company concluded on grounds of a completed analysis that the level of ECL is immaterial.

5 Provided loans

	30 June 2021	31 December 2020
<i>(in thousands of USD)</i>		
Loan to Shareholder	30,600	29,755
Expected credit losses	(607)	(590)
	<u>29,993</u>	<u>29,165</u>
Out of that: long term	29,593	28,810
Out of that: short term	400	355

Provided loans caption is fully presented by the loan granted to the Shareholder NEW UKRAINE PE HOLDING LIMITED, the maturity of which is in line with the maturity of the principal of the bonds (see Note 8). According to the contractual conditions, the debtor is obliged to repay the amount

corresponding to the creditor's obligation from the issued bonds before the maturity date of the bonds. Short-term financial instruments represent accrued interest on loans provided, which are due in 2021.

The nominal interest rate is fixed. There were no fees associated with the loan, interest is repaid on an ongoing basis, so the effective interest rate approximates the nominal interest rate.

As at 30 June 2021 <i>(in thousands of USD)</i>	Principal	Interest	Maturity	Interest rate (%)	EIR
Loan to Shareholder	30,200	400	16 October 2025	8,2%	8,2%
	30,200	400		8,2%	8,2%

Information on reported impairment

The following table sets out the amount of Expected Credit Losses to Loan to shareholder:

<i>(in thousands of USD)</i>	1 January 2021	Increase	30 June 2021
Loan to Shareholder	590	17	607
	590	17	607

The provision for expected credit losses was calculated on a 12 months basis (expected credit losses arising from events that may occur during the 12 months following the balance sheet date).

The Loan is classified as Stage 1. There were no transfers between stages during the accounting period.

The method of determining the amount of the impairment, together with the parameters of PD and LGD, is described in more detail in Note 14 - Risk management procedures and disclosure of information.

All interest-bearing financial instruments at amortised cost are categorised in Level 3 of the fair value hierarchy.

The fair value is based on the discounted cash flows valuation technique. The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate as at 31 December 2020 and 30 June 2021.

6 Trade and other receivables

<i>(in thousands of USD)</i>	30 June 2021	31 December 2020
Other receivables – related to contribution to outside the registered capital	550	1.400
Deferred receivables	1	-
	551	1.400
Out of that: short term	551	1.400
Out of that: long term	-	-

As at 30 June 2021 and 31 December 2020, the Company does not record any overdue trade receivables

or other overdue assets.

Credit risks and impairment losses in relation to trade and other receivables are dealt with in Note 14 - Risk Management and Disclosure Procedures.

7 Equity

The Company's registered capital amounts to USD 9 thousand. As at 30 June 2021 as well as at 31 December 2020, it consists of one business share, which is owned by a Shareholder (Parent).

	Amount	Ownership interest %	Voting rights %
<i>(in thousands of USD)</i>			
NEW UKRAINE PE HOLDING LIMITED	9	100%	100%
	9	100%	100%

In the six months ended 30 June 2021, a deposit outside the registered capital occurred in the amount of USD 550 thousand by the NEW UKRAINE PE HOLDING LIMITED (in the six months ended 30 June 2020 - USD 0 thousand).

For the six months ended 30 June 2021 the company reports a cumulative loss in the amount of USD 706 thousand (for the six months ended 30 June 2020: USD 10 thousand). The company's management considerations in respect of this situation were described in Note 2e.

8 Issued bonds

As at 30 June 2021, the terms and debt repayment schedule of bonds issued are as follows:

	Currency	Nominal interest rate	Effective interest	Maturity	Carrying value
<i>(in thousands of USD)</i>					
<i>Non-current portion</i>					
Issued bonds at amortized cost	USD	5.9%	6.76%	31 Oct 2025	31,735
Issued bonds at amortized cost	USD	5.9%	6.99%	31 Oct 2025	15,736
Total					47,471
<i>Current portion</i>					
Issued bonds at amortized cost					482
Transaction cost payable					507
Total					989

As at 31 December 2020, the terms and debt repayment schedule of bonds issued are as follows:

	Currency	Nominal interest rate	Effective interest	Maturity	Carrying value
<i>(in thousands of USD)</i>					
<i>Non-current portion</i>					
Issued bonds at amortized cost	USD	5.9%	6.76%	31 Oct 2025	31,697
Total					31,697
<i>Current portion</i>					
Issued bonds at amortized cost					359
Total					359

Short-term financial instruments are represented by accrued interest on issued bonds, and commission on additional bond issue, which are due within one year from the balance sheet date.

The bonds were issued by the Company on Prague Stock Exchange (Czech Republic) on 30 October 2020 with a total nominal value of CZK 700 million, maturing in 2025. On 30 June 2021 the additional issue of bonds was made with a total nominal value of CZK 350 million.

The total nominal amount of subscribed bonds as at 30 June 2021 was CZK 1,050 million (as at 31 December 2020: CZK 700 million). The bonds are listed on the public market.

Interest is payable twice: on 30 April and 30 October each year.

The Parent guaranteed the Company's bonds in the form of a financial guarantee under the Czech law. The Company may redeem bonds at any time at any price on the market or otherwise. If there is no early repayment (an option not currently being considered by Subsidiary), bonds principal will be repaid in a lump sum on 30 October 2025.

As at the date of issue (30 October 2020) transaction costs in the amount of CZK 22,096 thousand (USD 946 thousand) were associated with the issue of the bonds. These costs are recognized in the income statement during the bonds life based on the effective interest rate. The coupon rate is 5.9%. The effective interest rate is 6.76%.

As at the date of the additional issue (30 June 2021) transaction costs in the amount of CZK 10,878 thousand (USD 507 thousand) were associated with the issue of the bonds (commission on the additional bond issuance). These costs are recognized in the income statement during the bonds life based on the effective interest rate. The coupon rate is 5.9%. The effective interest rate is 6.99%. The carrying value of additional bonds issue contains transaction costs payable in the amount of USD 507 thousand, which were settled on 09 July 2021 (USD 483 thousand) and 10 August 2021 (USD 24 thousand).

The fair value of the bonds approximates the carrying value as at 30 June 2021 and 31 December 2020.

The bonds issued are secured.

The net proceeds from bond's issue were transferred by the Company to the Parent in form of loan amounted to USD 30,200 thousand. These proceeds were used by the Parent primarily for dividend distribution. As at 30 June 2021 the proceeds from additional issue were held on the bank account of NUPEH CZ s.r.o. and in July 2021 was also transferred to the Parent.

9 Trade and other liabilities

	30 June 2021	31 December 2020
<i>(in thousands of USD)</i>		
Trade liabilities	14	1
Deferred liabilities	17	29
	<u>31</u>	<u>30</u>
Out of that: short term	31	30

As at 30 June 2021 as well as 31 December 2020 trade and other liabilities are not secured.

Management reports there are no overdue liabilities as at 30 June 2021 and 31 December 2020.

The liquidity risk, to which the Company is exposed in connection with trade and other payables is described in Note 14 - Risk Management and Disclosure Procedures.

Deferred liabilities as at 30 June 2021 and 31 December 2020 include amount related to the financial statements audit.

10 Receivables and payables from derivatives

Receivables from derivative operations <i>(in thousands of USD)</i>	30 June 2021	31 December 2020
Fair value of the swap	1,421	1,696
	<u>1,421</u>	<u>1,696</u>

Payables from derivative operations <i>(in thousands of USD)</i>	30 June 2021	31 December 2020
Fair value of the swaps	591	-
	<u>591</u>	<u>-</u>

Reconciliation of swap movements

	CZK 700 million	CZK 150 million	CZK 200 million	Total
Balance at 31 December 2020	1,696	-	-	1,696
Closing of forward contract	134	-	-	134
Effect of forex exchange rate	(55)	-	-	(55)
Fair value change on derivatives	(354)	(253)	(338)	(945)
Balance at 30 June 2021	<u>1,421</u>	<u>(253)</u>	<u>(338)</u>	<u>830</u>

As at 30 June 2021 and 31 December 2020 the Company has cross currency swaps with J&T BANKA, a.s. to bridge the currency mismatch between the issued bonds in CZK and the provided loan to Parent in

USD.

The Company set up a swap on 30 October 2020 in the amount of CZK 700,000 thousand with a koruna interest rate of 5.9% against the amount of USD 30,461 thousand with a dollar interest rate of 7.25%. The maturity of the swap is 29 October 2025.

In addition, on 30 June 2021 the Company set up two swaps in the total amount of CZK 350,000 thousand (CZK 150,000 thousand and CZK 200,000 thousand) with a koruna interest rate of 5.9% against the amount of USD 16,486 thousand with a dollar interest rate of 6.45%. The maturity of the swaps is 29 October 2025.

There is a back conversion of funds from USD to CZK corresponding to the interest paid as at April 30 and October 30 each year.

The Company valued and recognized the fair value of the swaps as a receivable in the amount of USD 1,421 thousand and payables in the amount of USD 591 thousand as at 30 June 2021 (31 December 2020: receivable in the amount of USD 1,696 thousand). The Company does not report a derivative as a hedging instrument; all movements in fair value are recognized as profit or loss in Company's condensed statement of profit or loss and other comprehensive income.

11 Income tax liabilities

During the six months ended 2021 and 2020, the Company did not report any tax obligations since the Company reported loss (effective tax in the six months ended 2021: 0% (in the six months ended 2020: 0%)) nor deferred tax.

12 Other operating expenses

Operating expenses represent costs associated with the preparation of the bonds issue, as well as further servicing and administration, with the exception of transaction costs associated with the issue (see Note 8 - Issued bonds) and accounting and audit expenses.

	Six months ended 30 June 2021	Six months ended 30 June 2020
<i>(in thousands of USD)</i>		
Legal services	16	2
Accounting, audit	59	4
	<u>75</u>	<u>6</u>

13 Financial income and financial expenses

	Six months ended 30 June 2021	Six months ended 30 June 2020
<i>(in thousands of USD)</i>		
Interest income calculated using the effective interest rate	1.195	-
Foreign exchange gain	176	-
Total financial income	<u>1,371</u>	<u>-</u>

<i>(in thousands of USD)</i>	Six months ended 30 June 2021	Six months ended 30 June 2020
Interest expenses	1,040	-
Result on derivatives	945	-
Foreign exchange loss	-	4
Impairment losses on financial instruments	17	-
Total financial expenses	2,002	4
Net financial expenses showed in the Income statement	631	4

Interest income is obtained from the loan provided and interest expense occurs due to the issued bonds.

The exchange rate gain includes amongst others the exchange rate gain from the revaluation of a bond issued in CZK to USD. Transaction costs associated with the issue are included in interest expense (see Note 8). To bridge the currency difference from holding the bond, the Company holds the cross currency swaps, the fair value of which was recognized as a derivative loss, please refer to Note 10.

14 Risk management procedures and disclosure of information

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. Shareholders oversee how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks.

The Company's risk management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from receivables from customers.

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Loan to Shareholder

The Company provided a loan to a Shareholder in the amount of USD 30,200 thousand using funds from subscribed bonds.

The Company has its own credit risk assessment system and evaluates the borrower's ability to repay on the basis of regular information obtained.

The Company assigns a degree of risk to the assets based on data that are based on the assumption of possible risk of loss (resulting from debtor's financial statements, management calculations, etc.) or possible late payment risk, to which a qualified credit risk assessment is applied.

The degree of credit risk is determined using qualitative and quantitative factors that are an indicator of potential bankruptcy risk and are in line with the external definition of credit rating agencies. The

probability of bankruptcy is then allocated on the basis of historical data collected by these agencies.

Determining a significant increase in credit risk (SICR) since initial recognition

At the end of each reporting period, the Company determines whether the credit risk of a financial instrument has increased significantly since the asset was initially recognized.

For this purpose, the Company compares the default risk of a financial instrument at the balance sheet date with the default risk at the date of initial recognition, and further assesses the adequacy and supporting information (available without excessive cost and effort) that indicates a significant increase in credit risk since initial recognition.

The Company assigns a risk rating to assets using information that is based on the possible risk of loss (determined, for instance, from the entity's accounting statements, management calculations, etc.) or the possible risk of late payment, which form a basis for a qualified credit risk assessment.

The credit risk rating is determined using qualitative and quantitative factors that indicate possible risk of bankruptcy, and are in line with definitions by external rating agencies. The probability of bankruptcy is assigned based on historical data gathered by these agencies.

If there has been a significant increase in credit risk since initial recognition, then the exposure is included in Stage 2 and the expected lifetime credit loss is estimated. If there is no significant increase in credit risk since initial recognition, then the exposure remains at Stage 1 (12-month ECL). If the exposure is defaulted, then it is assigned a Stage 3.

The Company used the following model to calculate the expected credit losses provision (ECL):

(in thousands of USD)

As at 30 June 2021				
External rating equivalent	Probability of decline (PD)	LGD	Gross book value	Calculated loss (ECL)
B2	4.41%	45%	30,600	607

(in thousands of USD)

As at 31 December 2020				
External rating equivalent	Probability of decline (PD)	LGD	Gross book value	Calculated loss (ECL)
B2	4.41%	45%	29,755	590

External rating equivalent is derived from credit ratings of comparable companies in the industries in which the debtor operates.

The reported impairment was presented as part of financial expenses.

The Company also assesses sensitivity to changes in the borrower's credit risk. If its creditworthiness changes, the probability of loss changes as well.

If the probability of bankruptcy increases by 10%, the ECL would increase by USD 61 thousand. If the probability of bankruptcy decreases by 10%, ECL would decrease by USD 61 thousand.

The Company also perceives differences between the economic conditions during the period for which historical data is collected, the current conditions and the expected economic conditions for the expected term of the loan.

As at 31 December 2020 the shareholders of New Ukraine PE Holding Limited (Cyprus) were Dragon Capital Investments Limited (Cyprus) with 21.96% ownership, the company ultimately controlled by Tomas Fiala, Dragon Capital New Ukraine Fund (Jersey) with 35.85% ownership and Sky Mundi S.À.R.L. (a shareholder not related to other shareholders) with 42.19% ownership.

In April 2021 shareholders agreement between Dragon Capital Investments Limited (Cyprus), Dragon Capital New Ukraine Fund (Jersey) and Sky Mundi S.À.R.L. was amended and minor portion of shares owned by Sky Mundi S.À.R.L. was transferred to West Street EMS Partners. The shareholders of New Ukraine PE Holding Limited (Cyprus) as at 30 June 2021 were Dragon Capital Investments Limited (Cyprus) with 21.96% ownership, the company ultimately controlled by Tomas Fiala, Dragon Capital New Ukraine Fund (Jersey) with 35.85% ownership, Sky Mundi S.À.R.L. (a shareholder not related to other shareholders) with 39.64% ownership and West Street EMS Partners (a shareholder related to Sky Mundi S.À.R.L.) with 2.55%.

Dragon Capital New Ukraine Fund (Jersey) is a Jersey limited partnership formed under the partnership agreement and as at 30 June 2021 and 31 December 2020 has the following partnership structure: Ukrainian Redevelopment Fund LP – 43%, Dragon Capital Investments Limited (Cyprus) – 42%, Suhail Salim Abdullah Al Mukhaini Bahwan – 14% and DC Partners (Jersey) Limited (which is 100% owned by Dragon Capital Investments Limited (Cyprus)) – 1%.

In accordance with the shareholders' agreement of New Ukraine PE Holding Limited, key strategic decisions are made by the shareholders together holding more than 90% of shares in the Company's issued share capital.

The main activities of the Company are investing in real estate sector in Ukraine.

As at 30 June 2021, the Parent's investments are represented by the following projects:

- Pyramida project: shopping center with the gross leasing area equal to 15,887 sq. m.;
- East Gate Logistic project: A-class warehouse with the gross leasing area equal to 49,027 sq. m.;
- West Gate Logistic project: A-class warehouse with the gross leasing area equal to 96,221 sq. m. and associated land plot of 15 ha.;
- Property Management Solutions One ("PMS One"): A-class business center "Eurasia" with the gross leasing area of 27,855 sq. m.;
- Property Management Solutions Two ("PMS Two"): A-class business center "Prime" with the gross leasing area of 8,853 sq. m. and associated land plot of 0.15 ha.

The Parent's investments are primarily located in Ukraine. Consequently, they are exposed to the economic and financial markets of Ukraine, which display characteristics of an emerging market. The political and economic situation in Ukraine has been subject to significant turbulence in recent years. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Ukraine. Additionally, an armed conflict in certain parts of Lugansk and Donetsk regions, which started in spring 2014, has not been resolved and part of the Donetsk and Lugansk regions remains under control of the self-proclaimed republics, and Ukrainian authorities are not currently able to fully enforce Ukrainian laws on this territory. Various events in March 2014 led to the annexation of the Republic of Crimea by the Russian Federation, which was not recognized by Ukraine as well as an overwhelming majority of other countries globally. Consequently, operations in the country involve risks that do not typically exist in other markets. COVID-19 coronavirus pandemic has further increased uncertainty in the business environment.

The assessment of the credit risks related to the loan to Parent reflects management's assessment of the impact of the Ukrainian business environment on the operations and the financial position of the Parent.

Credit risk by type of counterparty as at 30 June was as follows:

(in thousands of USD)

Assets	Enterprises (Real-estate)	Banks	Total
Cash and cash equivalents		17,251	17,251
Trade and other receivables	550		550
Provided loans	29,993		29,993
Total	30,544	17,251	47,794

Credit risk by type of counterparty as at 31 December 2020 was as follows:

(in thousands of USD)

Assets	Enterprises (Real-estate)	Banks	Total
Cash and cash equivalents	-	116	116
Trade and other receivables	1,400	-	1,400
Provided loans	29,165	-	29,165
Total	30,565	116	30,681

Credit risk by counterparty territory as at 30 June 2021 was as follows:

(in thousands of USD)

Assets	Republic of Cyprus	Czech republic	Total
Cash and cash equivalents		17,251	17,251
Trade and other receivables	550		550
Provided loans	29,993		29,993
Total	30,543	17,252	47,794

Credit risk by counterparty's territory as at 31 December 2020 was as follows:

(in thousands of USD)

Assets	Republic of Cyprus	Czech republic	Total
Cash and cash equivalents	-	116	116
Trade and other receivables	1,400	-	1,400
Provided loans	29,165	-	29,165
Total	30,565	116	30,681

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, to the maximum extent possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides an analysis of the Company's financial assets and liabilities broken down by maturity, specifically by the time remaining from the balance sheet date to the contractual maturity date. For cases where there is a possibility of earlier repayment, the Company chooses the most prudent method of assessment.

Therefore, the earliest possible repayment date is shown for liabilities, and the latest possible repayment date is shown for assets.

Contractual cash flows from financial assets and contractual maturities of financial liabilities as at 30 June

2021 were as follows:

(in thousands of USD)

	Book value	Contractual cash flows	Less than 3 months	3 months to 1 year	1 – 5 years	Longer / Unspecified
Assets						
Cash and cash equivalents	17,251	17,251	17,251	-	-	-
Trade and other receivables	550	550	-	550	-	-
Provided loans	29,993	47,189	(16,486)	4,200	59,475	-
Total	47,794	64,990	765	4,750	59,475	-
Liabilities						
Trade and other payables	(31)	(31)	(31)	-	-	-
Bonds issued	(48,460)	(60,853)	(507)	(3,272)	(57,074)	-
Total	(48,491)	(60,884)	(538)	(3,272)	(57,074)	-
Net cash flow	(697)	4,106	227	1,478	2,401	-

Contractual cash flows from financial assets and contractual maturities of financial liabilities as at 31 December 2020 were as follows:

(in thousands of USD)

	Book value	Contractual cash flows	Less than 3 months	3 months to 1 year	1 – 5 years	Longer / Unspecified
Assets						
Cash and cash equivalents	116	116	116	-	-	-
Trade and other receivables	1,400	1,400	-	1,400	-	-
Provided loans	29,165	50,000	-	2,350	47,650	-
Total	30,681	51,516	116	3,750	47,650	-
Liabilities						
Trade and other payables	(30)	(30)	(30)	-	-	-
Bonds issued	(32,056)	(43,772)	-	(2,208)	(41,564)	-
Total	(32,086)	(43,802)	(30)	(2,208)	(41,564)	-
Net cash flow	(1,405)	7,714	86	1,542	6,086	-

(c) Currency risk

Transactions related to the issued bond were captured by the Company by concluding a cross currency swaps with the bank.

More details regarding cross currency swaps are in the table below:

Party A	J&T BANK („J&TB“)
Party B	NUPEH CZ s.r.o. („NUPEH“)
Instrument	USD/CZK Cross currency swap
Purpose	hedge of currency and interest rate risk related to a new bond issue in CZK
Market	OTC
Side	NUPEH borrows USD and pays USD fix coupon @7.25% pa 30E/360 s/a, and lends CZK and receives CZK fix coupon @5.90% pa 30E/360 s/a
Currency pair	J&TB vice versa
Tenor	USD/CZK
Exchange rate	5years
Notional	22.980 (spot market rate)
Initial notional exchange	700.000.000 CZK
volume, currency	700.000.000 CZK
Side	NUPEH buys USD vs CZK. J&TB vice versa

NUPEH CZ s. r. o.
Condensed interim financial statements as at and for the six months ended 30 June 2021
Notes to the condensed interim financial statements as at and for the six months ended 30 June 2021

Value date	30 October 2020
Final notional Exchange	
Volume, currency	700,000,000 CZK
Side	NUPEH sells USD vs CZK, J&TB vice versa
Value date	End of last interest period
Interest payments	
Interest rate Period	Semi annually
Rates: CZK (NUPEH receives)	CZK fix 5,90% pa 30/360
Rates: USD (NUPEH pays)	USD fix 7,25% pa 30/360
Day count	30E/360
Party A	J&T BANK („J&TB“)
Party B	NUPEH CZ s.r.o. („NUPEH“)
Instrument	USD/CZK Cross currency swap
Purpose	hedge of currency and interest rate risk related to a new bond issue in CZK
Market	OTC
	NUPEH borrows USD and pays USD fix coupon @6,45% pa 30E/360 s/a, and lends CZK and receives CZK fix coupon @5,90% pa 30E/360 s/a
Side	J&TB vice versa
Currency pair	USD/CZK
Tenor	4,33 years
Exchange rate	21,23 (spot market rate)
Notional	150,000,000 CZK
Initial notional exchange	
volume, currency	150,000,000 CZK
Side	NUPEH buys USD vs CZK, J&TB vice versa
Value date	30 June 2021
Final notional Exchange	
Volume, currency	150,000,000 CZK
Side	NUPEH sells USD vs CZK, J&TB vice versa
Value date	End of last interest period
Interest payments	
Interest rate Period	Semi annually
Rates: CZK (NUPEH receives)	CZK fix 5,90% pa 30/360
Rates: USD (NUPEH pays)	USD fix 6,45% pa 30/360
Day count	30E/360
Party A	J&T BANK („J&TB“)
Party B	NUPEH CZ s.r.o. („NUPEH“)
Instrument	USD/CZK Cross currency swap
Purpose	hedge of currency and interest rate risk related to a new bond issue in CZK
Market	OTC
	NUPEH borrows USD and pays USD fix coupon @6,45% pa 30E/360 s/a, and lends CZK and receives CZK fix coupon @5,90% pa 30E/360 s/a
Side	J&TB vice versa
Currency pair	USD/CZK
Tenor	4,33 years
Exchange rate	21,23 (spot market rate)
Notional	200.000.000 CZK
Initial notional exchange	
volume, currency	150.000.000 CZK
Side	NUPEH buys USD vs CZK, J&TB vice versa

Value date	30 June 2021
Final notional Exchange	
Volume, currency	200,000,000 CZK
Side	NUPEH sells USD vs CZK, J&TB vice versa
Value date	End of last interest period
Interest payments	
Interest rate Period	Semi annually
Rates: CZK (NUPEH receives)	CZK fix 5.90% pa 30/360
Rates: USD (NUPEH pays)	USD fix 6.45% pa 30/360
Day count	30E/360

The company also realizes in CZK expenses of a common overhead nature, which, however, are not very significant.

The balances of monetary assets and liabilities denominated in CZK were as follows

	30 June 2021		31 December 2020	
	Denominated in CZK	Denominated in USD	Denominated in CZK	Denominated in USD
<i>(in thousands of USD)</i>				
Cash and cash equivalents	87	17,164	14	102
Loan provided	-	29,993	-	29,165
Trade and other receivables	-	550	-	1,400
Bonds issued	48,460	-	32,056	-
Trade and other liabilities	31	-	30	-
Net position	48,394	47,707	32,072	30,667

(d) Interest rate risk

The Company is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but it may also reduce or cause losses in case of unexpected movements. The Company does not have floating interest rate financial assets and liabilities.

Financial information on interest bearing and non-interest bearing assets and liabilities and their contractual maturity or re-pricing dates is as follows:

<i>(in thousands of USD)</i>					
As at 30 June 2021	To 1 year	1 to 5 year	Longer	Unspecified	Total
Assets					
Cash and cash equivalents	17,251	-	-	-	17,251
Trade and other receivables	550	-	-	-	550
Provided loans	400	29,593	-	-	29,993
Total	18,201	29,593	-	-	47,794
Liabilities					
Trade and other payables	31	-	-	-	31
Bonds issued	989	47,471	-	-	48,460
Total	1,020	47,471	-	-	48,491
Net cash flow	17,181	(17,878)	-	-	(697)

(in thousands of USD)

As at 31 December 2020	To 1 year	1 to 5 year	Longer	Unspecified	Total
Assets					
Cash and cash equivalents	116	-	-	-	116
Trade and other receivables	-	-	-	-	-
Provided loans	355	28,810	-	-	29,165
Total	454	28,810	-	-	29,281
Liabilities					
Trade and other payables	1	-	-	-	1
Bonds issued	359	31,697	-	-	32 056
Total	339	31,697	-	-	32 057
Net cash flow	115	(2,887)	-	-	(2,776)

(e) Operational risk

Operational risk is the risk of loss from fraud, unauthorized activity, errors, omissions, inefficiency or system failure. This type of risk arises in all activities and is threatened by all business entities. Operational risk also includes legal risk.

The primary responsibility for applying control mechanisms for managing operational risks rests with the Company's management. The commonly used standards cover the following areas:

- Requirements for reconciliation and monitoring of transactions,
- Identification of operational risks within the control system,
- By obtaining an overview of operational risks, the Company creates the preconditions for determining and directing procedures and measures that will lead to the reduction of operational risks and to the adoption of decisions on:
 - Recognition of individual existing risks
 - Initiation of processes that will lead to the reduction of possible impacts; or
 - Narrowing the space to risky activities or their complete cessation.

The Company has established an audit committee.

The Company currently follows and complies with all requirements for the administration and management of the company, which are set out in generally binding legal regulations of the Czech Republic, in particular the Commercial Corporations Act.

15 Related parties and their impact on the financial statement

(a) Controlling party

The company NUPEH CZ s.r.o. is 100% controlled by the Shareholder NEW UKRAINE PE HOLDING LIMITED, located in 3022 Limassol, 16 Iouniou 1943, 9 Area A, Flat/Office 202, Republic of Cyprus.

(b) Transaction with related parties

As at 30 June 2021, and as at 31 December 2020 the Company reports the following unsettled balances with the related party.

(in thousands of USD)

	Debtor	30 June 2021	31 December 2020
Provided loan	NEW UKRAINE PE HOLDING LIMITED	29,993	29,165
Other receivables - related to contribution outside the registered capital	NEW UKRAINE PE HOLDING LIMITED	550	1,400
Other receivables	NEW UKRAINE PE HOLDING LIMITED	-	-
Total		30,543	30,565
Out of that: short term		950	1,755
Out of that: long term		29,593	28,810

(c) Remuneration for key management

The Company has no key employees. No remuneration or other benefits to members of the bodies of the Company were paid during the six months ended 30 June 2021 and 30 June 2020.

16 Contingent assets and contingent liabilities

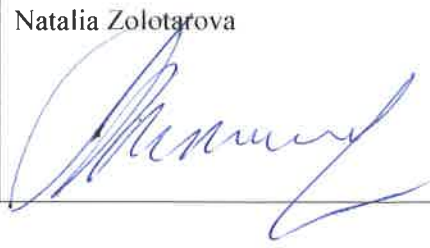
The Company does not have any legal suits that would give rise to contingent liabilities or contingent assets. No further circumstances are evidenced, which meet the terms for publication of the contingent liabilities.

17 Important events after the date of the financial statements

The Company has evaluated subsequent events from the balance sheet date through the date at which the financial statements were issued.

In July 2021 the Company paid the next loan disbursement in the amount of USD 16,486 thousand to the Shareholder NEW UKRAINE PE HOLDING LIMITED.

After 30 June 2021 there were no other significant events that would require amendments to, or additional disclosures in these financial statements.

Compiled on: 24.09.2021	Signature of the statutory body: Natalia Zolotarova 
---------------------------------------	---