

ANNUAL REPORT FOR YEAR 2023

NUPEH CZ s.r.o.

Identification number 077 57 662

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

This financial statements contains 75 pages

1. Legal basis

The company NUPEH CZ s.r.o. presents the Annual Financial Report for the financial year 2023 prepared in accordance with the requirements required by Act No. 563/1991 Coll., on Accounting, as amended, and § 118 of Act No. 256/2004 Coll., on Business capital market, as amended.

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.nupez-cz.com

E-mail: info@nupez-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 bearing a fixed interest rate of 5.9% p.a.

ISIN: CZ0003524795

Number of bonds: 105,000

Nominal value: The Bonds were originally issued in the total nominal value of the bond issuance of CZK 1,050,000,000 and the nominal value of each bond of CZK 10,000 whereas on 30 April 2023 and 30 October 2023 the Issuer partially redeemed the Bonds as a result of which the nominal amount of each Bond was decreased from CZK 10,000 to CZK 7,900 and then to CZK 6,550 and the total nominal value of the bond issuance from CZK 1,050,000,000 to CZK 829,500,000 and then to CZK 687,750,000.

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

Year Ended 31 December 2023

The Company's financial results for the year ended 31 December 2023 are set out below in Exhibit I. Total assets at the end of the reporting period stood at USD 32,157 thousand (FY 2022: USD 48,031 thousand), total liabilities equalled USD 31,084 thousand (FY 2022: USD 47,924 thousand), and net loss for the year ended 31 December 2023 amounted to USD 2,934 thousand (FY 2022: reported loss of USD 2,025 thousand).

Since the beginning of Russia's invasion of Ukraine, the operation of all NUPEH assets has been negatively affected by the war, the risk of property damage remains in place due to the persisting threat of Russian missile strikes against civilian targets across Ukraine

Future Performance

In respect of projections for the Company's financial performance for the year ended 31 December 2024, no significant changes are being envisaged as the Company's activity is restricted to repayment of the bonds. The repayment is expected to be conducted according to schedule via redemption of the existing intragroup loan between the Company and the Parent Company.

As at the date of the report, the Company announced its decision to make an early partial redemption of the bonds, decreasing the nominal amount of each bond from CZK 6,550 to CZK 5,550, which was exercised on 30 April 2024 (coupon payment date).

The asset-level outlook for development of the Parent Company's business for the year 2024 is described below.

Piramida

Looking ahead, Piramida stands resilient in the face of ongoing market dynamics, having adeptly adapted to the shifts in the commercial real estate landscape. With vacancy rates nearing zero and rental rates approaching pre-war levels, Piramida showcases a strong performance despite the challenging environment. As footfall steadily approaches pre-war levels and consumer confidence strengthens, we anticipate this positive momentum to persist, even though at a slightly moderate pace. With these promising indicators, our outlook for Piramida remains cautiously optimistic, reflecting our confidence in its ability to sustain growth amidst evolving conditions.

Eurasia and Prime

The office real estate market, impacted by military hostilities and economic contraction, experienced renewal of business activity following the liberation of the Kyiv region and the return of foreign embassies to the capital. Prime office spaces are expected to maintain stability with a zero-vacancy rate, while Eurasia is projected to gradually enhance performance. Looking ahead to 2024, despite rental rates being below pre-war levels, there is cautious optimism for growth as the market stabilizes. Increased business activity and improving economic conditions may contribute to this upward trend. Overall, while challenges persist and activity remains below pre-war levels, there is anticipation for rental rate growth in the coming year.

West Gate Logistic and East Gate Logistic

Recovery of the warehouse market will depend mainly on the duration of the military conflict and subsequent economic situation in Ukraine. Due to subdued economic forecasts, rental rates are not expected

to fluctuate in the short term and are likely to remain stable, being increasingly denominated in UAH. The warehouse market demonstrated solid occupier demand despite wartime conditions. The warehouse market has demonstrated solid occupier demand, particularly from logistic companies and retail occupiers, contributing to the stability of the leasing landscape. Limited availability of quality warehouse space for lease has led to scarce rental discounts, reflecting robust occupier demand. With actual UAH-based rent rates remaining stable and demand for storage experiencing slow but consistent growth, the market environment is expected to remain balanced despite prevailing challenges. In consideration of these factors, our outlook for West Gate Logistic and East Gate Logistic in the coming months remains cautiously optimistic, reflecting our confidence in their ability to sustain performance amidst stable market conditions.

War impact on business environment of Group's assets

The Group remains under the major impact of Russia's ongoing war against Ukraine, as all its income-generated assets are located in Ukraine.

The Russian invasion of Ukraine, ongoing since Feb. 24, 2022, has entered its third year, continuing to negatively affect the domestic economy and business environment.

As of end-March 2024, Russian forces remained in control of an estimated 109,000 km² or 18% of Ukraine, roughly the same area as a year earlier but down from over 25% at the peak of the invasion in late March 2022. The Russian-occupied territory comprises parts of the Luhansk and Donetsk regions in the east as well as Zaporizhzhya and Kherson regions and Crimea in the south. Approximately 40% of the area currently under Russian control was captured during the first phase of Russian military aggression against Ukraine in 2014-2015 (Crimea and parts of the two eastern regions).

The Ukrainian economy returned to the growth in 2023, with real GDP expanding by 5.3% y-o-y after a 28.8% slump in 2022 caused by the Russian invasion. Economic recovery was supported by a combination of factors such as stabilization in power supplies following Russian attacks on energy infrastructure in the winter of 2022/23, businesses' adaptation to the war environment, recovery in consumer confidence on the back of F/X market stabilization, improved commercial logistics, and resumption of seaborne exports thanks to a Black Sea safety corridor opened by Ukraine in August 2023. Additionally, unusually favorable weather provided for a bumper agricultural harvest, while the domestic energy infrastructure suffered only minimal damage from Russian attacks during the 2023-2024 heating season as Russia primarily targeted military and industrial installations (with little effect). Real GDP increased by 3.6% y-o-y in 2M24, according to the Economy Ministry, helped by continued expansion in seaborne exports, stable power supplies, and rising domestic military production.

Massive financial support from IFIs and other foreign partners provided a lifeline for the government, helping it finance a much wider budget deficit, and supported Ukraine's external position. Foreign partners and IFIs disbursed \$42bn of budget support in 2023, up from \$31bn in 2022, with 34% of this amount being grants (vs. 44% in 2022). The IMF was instrumental in soliciting necessary financial aid and ensuring its regular disbursement. As the Ukrainian government remained fully functional and successfully navigated the economy through unprecedented challenges, the IMF approved a \$15.6bn four-year Extended Fund Facility (EFF) program for Ukraine on Mar. 31, 2023. The EFF program became part of a four-year Western financial support package expected to total \$122bn in 2023-2027 in the baseline scenario and \$140bn in the downside scenario. As a part of this package, in February 2024, the EU approved a EUR 50bn 4-year program for Ukraine, including EUR 39bn of direct budget support. However, new financing from the US remained on hold as of this writing due to a political impasse in Congress.

The NBU froze the official exchange rate of the hryvnia to the US dollar at the very start of the Russian invasion in February 2022 and imposed tight controls on capital and current account transactions, including a ban on repatriating dividends and restrictions on principal and interest payments on external debt. The NBU devalued the currency by 20% in July 2022, re-fixing it at UAH 36.6:USD in response to mounting currency pressures,

and concurrently introduced other measures aimed at curbing F/X demand, including a 15pp hike in the key rate, to 25%, and fine-tuning of capital controls.

With an improved F/X market stance and large and regular inflows of foreign support in early 2023, NBU international reserves surged to a record high of \$41.7bn in July 2023. This, together with recovering economic activity, rapid disinflation and subsiding devaluation expectations, enabled the NBU to abandon its currency peg on Oct. 3, 2023, and return to managed float. The NBU continued to manage the UAH:USD exchange rate tightly following the policy shift, allowing only small fluctuations in either direction. The hryvnia weakened by 4.0% y-o-y to UAH 38.0:USD by end-2023. The NBU also started to relax its tight F/X controls along the guidelines laid out in its conditions-based F/X Liberalization Strategy agreed with the IMF. In particular, in 2023 the NBU allowed domestic companies to service new external loans based on a set of attached conditions, facilitated the procedures for state-owned enterprises to service restructured external debt, and relaxed restrictions on F/X cash and non-cash purchases by individuals in order to minimize the practice of multiple exchange rates.

Headline inflation slowed to 3.2% y-o-y in March 2024, from 5.1% as of end-2023 and a wartime high of 26.6% in December 2022. This rapid disinflation was driven by bumper harvests of agricultural crops, subsiding inflation and devaluation expectations amid continued F/X market stability, improving logistics, and domestic companies' broader adaptation to wartime conditions. All these factors fully offset a 70% hike in household electricity tariffs in June 2023, while other utility tariffs had remained frozen since the start of the war pursuant to a government order.

Disinflation and F/X market stability paved the way for the NBU to start a rate cutting cycle. Since July 2023, the central bank has cut its key rate by a total of 1,050bp, to 14.5% p.a. (as of end-March 2024), including a 400bp cut due to a shift to the "lower bound" operational design of monetary policy pursuant to which the key rate was equalized with the rate on overnight certificates of deposit.

The consolidated budget deficit widened to UAH 1,337bn in 2023 from UAH 847bn in 2022 and UAH 182bn in 2021, or to 20% of GDP from 16% in 2022 and 3.3% in 2021. The sharp budget deficit expansion in the last two years was fueled by an upsurge in military spending and smaller inflows of grant financing from foreign partners, while tax revenues dropped following a sharp economic downturn. Foreign aid inflows have been the key source of wartime budget deficit financing. Their y-o-y increase in 2023 enabled the NBU to discontinue budget deficit monetization after the central bank provided the equivalent of \$12.3bn for the purpose in 2022.

Fueled by budget deficit expansion, Ukraine's public debt rose by 31% y-o-y to \$145bn in 2023 on top of 11% growth in 2022. However, the debt-to-GDP ratio registered a sharper increase over the period, to 84% from 49% in 2021, due to a drop in real GDP. In the meantime, the grant component of foreign support helped curb public debt growth, while loans were provided on highly concessional terms, with long maturities and low or subsidized interest rates, supporting debt sustainability. Ukraine concluded a two-year standstill agreement with its commercial and bilateral creditors in 2022 and aims to restructure these liabilities before the agreement expires in August 2024.

During 2023, the commercial real estate market remained resilient despite Russian missile attacks intensifying at the end of the year. Although the recovery in consumer and business sentiment was slowed by economic and security risks, both tenants and landlords demonstrated further adaptation to the wartime environment, which provided grounds for new negotiating approaches aimed at maintaining satisfactory occupancy rates and lowering rental discounts in line with market fundamentals.

Footfall in Kyiv shopping centers was ca. 10-15% below pre-war levels in 2023, in contrast to a drop of 70-80% in March 2022. In western Ukraine, shopping malls returned to their pre-war levels after experiencing less severe declines of 30-40% in March 2022. In a reflection of the broader consumer mood, the Consumer Confidence Index (CCI), a survey-based gauge calculated by the market research firm Info Sapiens, stood at 77 points on a 0-200 scale in December, down from its 2023 intra-year high of 92 in May 2023 and down from 84 in December 2022. The drop was mostly caused by worsening economic

expectations, especially those concerning domestic economic conditions, while the survey showed a steady improvement in respondents' assessment of their current financial standing, with the respective sub-index rising to 54 in December, the highest level since the early months of the war, and up strongly from 35 in December 2022. Headline CPI stood at 5.1% y-o-y in December, in line with November, decelerating sharply from 26.6% y-o-y at the end of 2022. Consumer demand remained robust in 2023, supported by decelerating inflation, with retailers seeing a recovery in turnover over the period. The most resilient retailers started to cautiously explore expansion opportunities, aiming to secure prime locations. With H&M reopening its stores in November 2023 and Inditex return to activity of around 20 shops in April 2024 in the Kiev area, to be followed later by those in the Lviv area, IKEA remained the only international chains keeping their outlets closed due to wartime conditions. As retail turnover improved, rental discounts became widespread across the market.

In the office segment, business sentiment in 2023 remained cautious amid security concerns and economic uncertainty. The National Bank of Ukraine's PMI-type index of business expectations slid by 4.4 to 45.71 points on a 0-100 scale in December, trending lower after touching 50.1 in September. Companies across all surveyed sectors worsened their business outlook due to uncertainty about how long the war may last, risks that international aid for Ukraine would be delayed and insufficient, growth in logistic costs due to border blockades, and shortages of skilled workers. Thus far, office occupiers have been focused on cost cutting, with leasing transactions mostly driven by relocations to less expensive buildings, reductions of occupied space, or renegotiation of lease terms. The overall office stock remained roughly unchanged. As a result of limited occupier demand, no significant shifts were observed in the average market vacancy rate, which remained high at 25% as of the end of 4Q2023. Rental rates ranged from \$16-18/sqm for A-class prime office space with fit-outs and \$8-12 for similar B-class quality space. New leases often provided longer rent-free periods or step-up rents with a discounted wartime rate. Landlords continued to provide incentives for current tenants through rental discounts, payment deferrals, and rent-free periods.

The warehouse market enjoyed a strong performance in 4Q 2023. The leasing landscape was predominantly stable, driven by logistic companies and retail occupiers. Notably, no new warehouses entered the speculative market during 2023, keeping the total stock at 1.4 million sqm as of 4Q 2023. The average vacancy rate remained low at 2% as of end-4Q 2023, declining by 2 pp throughout 2023. Rental discounts became increasingly scarce, reflecting resilient occupier demand and limited availability of quality warehouse space for lease. Actual UAH-based rent rates for ambient warehouses remained stable, with base rents ranging from UAH 120-150 for professional stock. Slow but consistent growth in demand for storage alongside weak development activity pointed to a balanced market environment despite the prevailing challenges.

c. Ownership and Control

NUPEH CZ s.r.o. is the financial arm of NEW UKRAINE PE HOLDING LIMITED ("NUPEH", or the "Parent Company"), with its registered office at 16 Iouniou 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 loan, credit facility or other forms of financing. The Company does not currently perform any other activities.

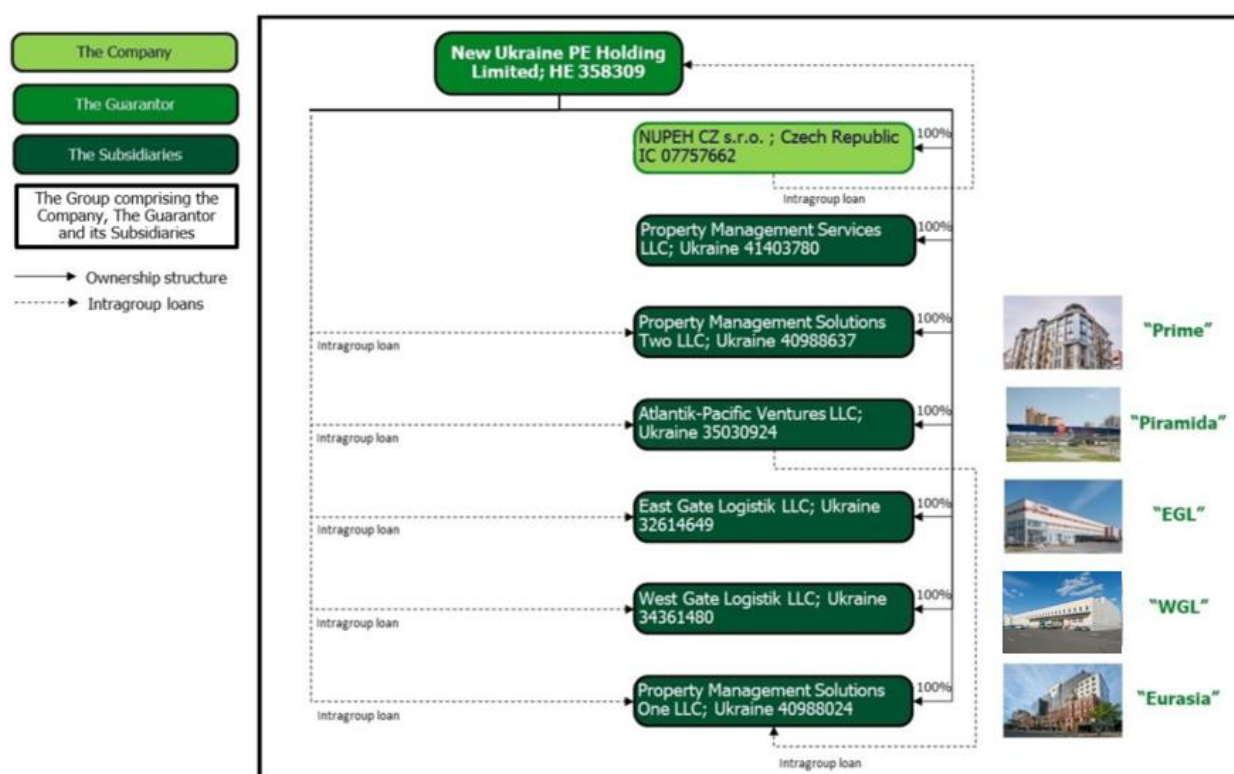
NUPEH CZ s.r.o. is owned by NUPEH, which holds shares representing 100% of the Company's registered capital and voting rights. The Company is therefore directly controlled by NUPEH, which is part of the group consisting of NUPEH and its subsidiaries ("Group"), as illustrated in Scheme 1 below. The Company 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

stipulated by applicable regulations 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 over the Issuer. Mr. Tomáš Fiala, a citizen of the Czech Republic, born on 13 May 1974 (hereinafter referred to as the “UBO”), acts as Ultimate Beneficial Owner of the Company as stated in Article 4 of the Report on Relations.

NUPEH is a holding company, established to manage a portfolio of five commercial real estate assets, all located in the Kyiv region of Ukraine. As at the date of the publication of the 2023 Annual Report of NUPEH CZ s.r.o. (the “Annual Report”), NUPEH investments comprised the following projects:

- Piramida: a shopping centre with a gross leasing area of 15,900 square meters (to be expanded to 20,317 square meters upon completion of reconstruction);
- East Gate Logistic: an A-class warehouse with a gross leasing area of 49,027 square meters;
- West Gate Logistic: an A-class warehouse with a gross leasing area of 7,316 square meters and associated land plot of 14.4 hectares;
- Property Management Solutions One: A-class business centre Eurasia with a gross leasing area of 27,930 square meters; and
- Property Management Solutions Two: A-class business centre Prime with a gross leasing area of 8,847 square meters and associated land plot of 0.15 hectares¹.

Scheme 1. Group Structure



¹ As per an independent valuation report of the Property for the year ended 31 December 2022 performed by CBRE

d. Significant Events in 2023

Since NUPEH CZ is a company of the NUPEH group, whose all income-generated assets are located in Ukraine, it depends on the performance of the Ukrainian subsidiaries holding real estate and their ability to upstream incomings to the Parent Company, which is the borrower under an intergroup loan from NUPEH CZ.

Although the Subsidiaries have continued to operate and generate cash incomings since the date of the introduction of martial law in Ukraine, the National Bank of Ukraine has imposed temporary restrictions, including suspending the operation of the Ukrainian FX market, except for FX sales by customers, and banning cross-border foreign currency payments, which continue to make it impossible to upstream cash from the Ukrainian subsidiaries to the foreign accounts of the Parent Company. However, these restrictions are expected to be relaxed going forward.

In view of the aforementioned restrictions, in 2022 and 2023 the Parent Company signed additional agreements with its creditor J&T Banka to a) postpone repayments of unpaid Junior debt principal due from 31.03.2022 till 31.03.2024 to 31 December 2025 (maturity date); b) postpone payment of interest accrued and unpaid from 31 December 2021 until 23 February 2022 and from 01 March 2024 until 30 March 2024 to 30 June 2024; c) postpone payment of interest accrued from 24 February 2022 until 29 February 2024 to 31 December 2025.

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, 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 the East Gate project by acquiring 100% of corporate rights in Turcosa Investments Limited and acquiring non-performing debt payable by AICEE II Finance Cyprus Limited.

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

On 19 December 2016, NUPEH purchased 60% interest in the West Gate project through acquiring 60% of corporate rights in GLD Logistic Park Holding Limited and SZ Harbour Finance Limited and acquiring non-performing debt payable by SZ Harbour Finance Limited. During 2018, the remaining 40% of the participatory interest in GLD Logistic Park Holding Limited was purchased by NUPEH. Thus, NUPEH became 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 also purchased from the same third party 100% interest in Mevalor Holdings Limited (Cyprus). The latter was the majority owner of Property Management Services LLC (PMS), which was involved in the provision of maintenance services to the Group.

On 23 January and 14 June 2018, NUPEH increased the share capital of Turcosa Investments Limited by USD 7,443,000 and 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, an additional 40% interest in West Gate Logistic through acquiring 40% of corporate rights in GLD Logistic Park Golding Limited and SZ Harbour Finance Limited and acquiring 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 an insignificant consideration.

During 2019, NUPEH increased the share capital of 1849-Apollo Overseas I Limited by USD 150,000, the share capital of Orbelson Holdings Limited and Glanston Holdings Limited by USD 15,000 each, and the share capital of GLD Logistik Park Holding Limited by 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, including 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, transferred all their assets to NUPEH. All these Cypriot subsidiaries were voluntarily liquidated in May 2023 .

On 30 June 2021, the Company utilized its right to increase the issuance amount of the Bonds by CZK 350 million, from CZK 700 million to CZK 1,050 million (converted into approx. USD 49.1 million). Subsequently, the Parent Company received proceeds through intra-group financing provided by the Company in the amount of approx. USD 16.5 million and used these proceeds from the intra-group loan for a dividend payout. The total amount of the intragroup loan provided from the Company to the Parent Company during 2021 stood at USD 17.3 million.

On November 9, 2022, two of the Parent Company's shareholders transferred their shares in NUPEH Cyprus: Sky Mundi S.A.R.L. (39.64%) and West Street EMS Partners, SLP (2.55%) transferred all their shares to the Cypriot companies Larington Holdings Limited and Langrose Investments Limited, respectively. The transfer did not result in a change in control of the Company.

In May 2023, the Group's Cypriot subsidiaries, including 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, were dissolved.

On May 2, the Company exercised an early partial redemption of the bonds, decreasing the nominal amount of each bond from CZK 10,000 to CZK 7,900.

In September 2023, the Company published a Notice of early redemption of the Bonds, whereby the nominal amount of each Bond will be decreased further from CZK 7,900 to CZK 6,550.

On October 30, 2023, NUPEH executed the early redemption of 17% of the bonds CZK 141.2 mln together with a 1% penalty for early redemption.

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 loan, credit facility or other 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 forms 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 manifests the dependence of the source of the Company's income on the relevant companies in 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 negotiating power vis-à-vis tenants, contractors, and suppliers.

NUPEH controls an investee when it is exposed to, or has the 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 (Piramida), East Gate Logistic LLC, West Gate Logistic LLC, Property Management Solutions One LLC (Eurasia), and Property Management Solutions Two LLC (Prime) own real estate assets and are entitled to receive associated rental revenues. Other investees receive cash flow streams in the form of loan receivables or dividends.

The total gross building area (GBA) operated by the Group was 120,833 square meters as of 31 December 2023. The breakdown of the GBA was as follows:

- Retail – 20,790 square meters (17%)² as of 31 December 2023 and 20,790 square meters (10%) as of 31 December 2022;
- Offices – 42,562 square meters (35%)²; as of 31 December 2023 and 42,562 square meters (20%) as of 31 December 2022; and
- Warehouses – 57,481 square meters (48%)² as of 31 December 2023 and 57,481 square meters (70%) as of 31 December 2022.

The total gross leasable area (GLA) operated by the Group was 109,019 square meters as of 31 December 2023. Breakdown of the GLA as follows:

- Retail – 15,900 square meters (15%)¹; as of 31 December 2023 and 15,935 square meters (8%) as of 31 December 2022;
- Offices – 36,777 square meters (34%)¹; as of 31 December 2023 and 36,615 square meters (19%) as of 31 December 2022; and
- Warehouses – 56,343 square meters (52%)¹ as of 31 December 2023 and 56,345 square meters (73%) as of 31 December 2022.

The Group's NOI for the year ended 31 December 2023 was USD 12.8 million and split as follows:

- Retail – 55% for the year ended 31 December 2023, 34% for the year ended 31 December 2022
- Offices – 23% for the year ended 31 December 2023, 40% for the year ended 31 December 2021; and
- Warehouses – 22% for the year ended 31 December 2023, 26% for the year ended 31 December 2021.

Overview of the Real Estate Projects Operated by the Group

Piramida

Piramida is a convenience-based community shopping centre located at 4 O. Myshuhy St. in the high-rise densely populated Darnytskyi residential district of Kyiv with an official population of 345,000 people. Piramida benefits from being just 100 meters away from the busy Pozniaky metro station. Piramida has two levels anchored by Silpo, one of the largest supermarket chains in Ukraine, Comfy, an electronics chain, and Citrus, an electronics and mobile chain. The retail gallery is focused on satisfying customers' everyday shopping needs, with reputable tenants in the health & beauty, drugstore fashion, and children's goods segments. The national food & beverage operator Puzata Hata complements the retail offering.

Key statistics:

- GBA: 20,790 square meters¹, GLA: 15,934 square meters¹
- Vacancy: 0.1% as of 31 December 2023 (1.1% as of 31 December 2022, -1.0p.p. year-on-year)²;
- Average monthly base rent: USD 36.1/square meter as of December 2023 (USD 28.4/square meter as of December 2022, +26% year-on-year)²;
- Footfall (for the year ended 31 December 2023): 5.2 million people (+31% year-on-year)²;
- Value as of 31 December 2023: USD 49,700,000 (USD 45,800,000 as at 31 December 2022; +8.5% year-on-year)¹;

¹ Based on the latest independent valuation report of the Property as of 31 December 2023 performed by CBRE;

² Based on the unaudited data of the issuer

- NOI: USD 7,084 thousand for the year ended 31 December 2023 (USD 4,009 thousand for the year ended 31 December 2022; +76% year-on-year)²

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;
- Comfy(electronics): area of 875 square meters, lease agreement ending in February 2026;
- Citrus (electronics): area of 452 square meters, lease agreement ending in April 2026;
- Smik (children's goods): area of 559 square meters, lease agreement ending in May 2025.

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 centre 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 centre.
- 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 centre opened in 2016;
- Arcadia. Location: 33 Dniprovska Embankment, Kyiv, 02000, 2 km from Piramida. GLA: 18,500 square meters. Arcadia is a small-scale convenience-based shopping centre opened in 2008.

Eurasia

Eurasia is an A-class operating business centre located in Kyiv's CBD area at 75 Zhylianska Street, connecting downtown Kyiv with the major urban thoroughfare Peremohy Ave. The property benefits from good transport and pedestrian accessibility. Vokzalna metro station is a 10 minutes' walk from the business centre and Universytet metro station is 15 minutes away on foot. Two other metro stations, Olimpiiska and Palats Sportu, are easily accessible by public transportation, trolleybuses and shuttle buses, via Zhylianska Street. The property was commissioned in 2007. Each floor has open-space layouts ranging from 840 square meters to 3,200 square meters, making it possible to implement various office configurations required by tenants.

Key Statistics:

- GBA: 33,423 square meters² as of 31 December 2023, 33,423 square meters as of 31 December 2022;
- GLA: 27,930 square meters¹ as of 31 December 2023, 27,854 square meters as of 31 December 2022;
- 13 levels;
- 2-level underground parking with 150 parking lots and 20 surface parking lots;
- Vacancy: 49.8% as of 31 December 2023 (43.3% as of 31 December 2022; +6.5 p.p. year-on-year)²;
- Average monthly base rent: USD 10.5/square meter as of December 2023 (USD 9.1/square meter as of December 2022; +16% year-on-year)²;

¹ Based on the latest independent valuation report of the Property as of 31 December 2023 performed by CBRE;

² Based on the unaudited data of the issuer

- Value as of 31 December 2023: USD 27,100,000 (USD 33,500,000 as at 31 December 2022; -19.1% year-on-year)¹;
- NOI: USD 1,448 thousand for the year ended 31 December 2023 (USD 3,451 thousand for the year ended 31 December 2022; -58% year-on-year)².

Key Tenants:

- PricewaterhouseCoopers: area of 3,489 square meters, lease agreement ending in August 2026;
- UN High Commissioner for Refugees: area of 3,489 square meters, lease agreement ending in August 2025;
- Nissan Motor Ukraine: area of 562 square meters, lease agreement ending in March 2024².

Prime

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

Key Statistics:

- GBA: 9,140 square meters²; as of 31 December 2023, 9,140 square meters as of 31 December 2022;
- GLA: 8,847 square meters as of 31 December 2023, 8,761 square meters as of 31 December 2022¹;
- 9 levels;
- 7 underground parking lots, surface parking with 20 lots;
- Vacancy: 0.0% as of 31 December 2023 (17.5% as of 31 December 2022; -17.5p.p. year-on-year)¹;
- Average monthly base rent: USD 12.7/square meter as of December 2023 (USD 14.0/square meter as of December 2022; -9% year-on-year)²;
- Value as of 31 December 2023: USD 12,100,000 (USD 13,900,000 as at 31 December 2022; -12.9% year-on-year)¹;
- NOI: USD 1,500 thousand for the year ended 31 December 2022 (USD 1,266 thousand for the year ended 31 December 2021; +18% year-on-year)².

Key Tenants:

- Deloitte: area of 1,539 square meters, lease agreement ending in July 2025 and 613 square meters, lease agreement ending in July 2024;
- Sanofi: area of 2,688 square meters, lease agreement ending in September 2024;
- Miele: area of 658 square meters, lease agreement ending in June 2025;

¹ Based on the latest independent valuation report of the Property as of 31 December 2023 performed by CBRE;

² Based on the unaudited data of the issuer

- OTP Bank: area of 304 square meters, lease agreement ending in December 2025.

Key Competitors for Eurasia and Prime:

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

Senator. Location: 32/2 Moskovska St., Kyiv, 01010, 3.2 km from Eurasia BC and 2.9 km from Prime BC. GLA: 43,000 square meters. The property, delivered in 2013, is an A-class business centre with standard efficient layouts and a spacious lobby.

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

Leonardo. Location: 19/21 Bohdana Khmel'nyts'koho St., Kyiv, 01030, 1.3 km from Eurasia BC and 1.4 km from Prime BC. GLA: 29,000 square meters. Leonardo boasts a prime location in Kyiv's historical centre, catering to tenants from the business services and consulting industry, and is potentially comparable in terms of building quality.

Parus. Location: 2 Mechnikova St., Kyiv, 02000, 2.2 km from Eurasia BC and 1.6 km from Prime BC. GLA: 58,000 square meters. Parus competes mainly due to its more central location but is more expensive for tenants. Panoramic views offered by its higher floors can also be viewed as an advantage.

Europassage. Location: 58/10 Simi Prakhovykh St., Kyiv, 01033, 700 m from Eurasia BC and 500 m from Prime BC. GLA: 20,000 square meters. Europassage is less competitive in terms of quality, being a B-class property with less presentable lobby and fitout materials, less efficient layouts, and situated in a side street with unappealing surroundings. At the same time, being located in the same area, Europassage offers lower rents, which cost-conscious tenants may prefer.

Karat. Location: 110 Zhylianska St., Kyiv, 02000, 300 m from Eurasia BC and 1.1 km from Prime BC. GLA: 6,000 square meters. Karat is considered a minor competitor given its close location but is inferior in terms of quality, being a B-class property with less presentable lobby and fitout materials and less efficient layouts.

Magnett. Location: 137-139 Velyka Vasylkivska St., Kyiv, 03150, 4.0 km from Eurasia BC and 3.2 km from Prime BC. GLA: 32,000 square meters. The property is a new A-class BC delivered in 2021, with standard efficient layouts, typical floors of up to 4,000 square meters, a large lobby, and a terrace.

East Gate Logistic

East Gate Logistic is an A-class operating warehouse, located at 28 Zaporizka St., Boryspil, Kyiv region. The property benefits from a favourable location on the eastern (left) bank of the Dnipro river, within approx. 15 km of the Kyiv city boundaries, 20 km from the nearest metro station, Boryspilska, and 5 km from the Kyiv Boryspil International Airport. East Gate Logistic is easily accessible via Zaporizka St. from the M-03/E-40 highway connecting Kyiv and Kharkiv. The property can also be reached from the Brovary-Boryspil ring road connecting to the M-01/E-95 Kyiv-Chernihiv highway heading north to Belarus.

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

Key Statistics:

- GBA: 49,198 square meters²; GLA: 49,027 square meters¹;
- Vacancy: 5.2% as of 31 December 2023 (5.2% as of 31 December 2022; +0.0p.p. year-on-year)²;
- Average monthly base rent: USD 4.4/square meter as of December 2023 (USD 4.0/square meters as of December 2022; +9% year-on-year)²;
- Value as of 31 December 2023: USD 18,100,000 (USD 18,200,000 as of 31 December 2022; - 0.5% year-on-year)¹;
- NOI: USD 2,502 thousand for the year ended 31 December 2023 (USD 2,289 thousand for the year ended 31 December 2022; +9% year-on-year)².

Key Tenants:

- Auchan: area of 33,832 square meters, lease agreement ending in June 2027²;
- Fiege: area of 12,646 square meters, lease agreement ending in July 2024 for 12,039 square meters and in November 2024 for 606 square meters².

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 a competitive warehouse due to its location nearby and comparable quality. BF Martusivka is also larger in scale and with higher vacancy.

West Gate Logistic

West Gate Logistic is an A-class operating warehouse, located at: 21st kilometre of Zhytomyr Highway, Stoyanka village, Kyiv-Sviatoshyno District, Kyiv region. It is only 1 km from the Kyiv city boundaries, with the Kyiv ring road only 8 km away. The property's closeness to the city gives it proximity to labour pools in both the Kyiv region and the area of Kyiv on the right (western) bank of the Dnipro. West Gate Logistic directly faces Zhytomyr Highway (M-06, E-40) connecting Kyiv to Lviv and Ukraine's border with the EU.

West Gate Logistic, consisting of two buildings, sustained heavy damage from shelling by Russian forces on March 3, 2022. The larger building (ca. 89,500 square meters), was completely destroyed, while the smaller building (ca. 7,675 square meters) suffered considerable damage that temporarily impacted tenant operations and took time to repair. The property, occupied by high-profile tenants including logistics operators and retail companies, features A-class warehouse standards with a 12 meters x 24 meters column grid and a 12-meter clear height.

Key Statistics:

- GBA: 7,675 square meters²; GLA: 7,316 square meters¹;
- Vacancy: 0.0% as of 31 December 2023 (no change year-on-year)²;
- Average monthly base rent: USD 4.7/square meter as of December 2023 (USD 4.6/square meters as of December 2022; +4% year-on-year)²;

¹ Based on the latest independent valuation report of the Property as of 31 December 2023 performed by CBRE;

² Based on the unaudited data of the issuer

- Value as of 31 December 2023: USD 5,000,000¹; (USD 4,500,000 as of 31 December 2022; +11.1% year-on-year)¹
- NOI: USD 255 thousand for the year ended 31 December 2023 (USD 785 thousand for the year ended 31 December 2022; -67% year-on-year)².

Key Tenants:

- DC Ukraine (Watsons): area of 4,555,74 square meters, lease agreement ending in April 2025;
- Nova Poshta: area of 2745,47 square meters, lease agreement ending in December 2024.

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 and located in the same area, near the Zhytomyr highway (M-06/E-40). While MLP Chaika is located closer to the Kyiv ring road (4.5 km away), it does not face the M-06/E-40 highway, being situated on a secondary road with less convenient access.

Amtel. Location: 10 Soborna St., Petropavlivska Borshchahivka, Kyiv Oblast, 08130. GLA: 97,379 square meters. Amtel is a newer warehousing property consisting of two phases, with Phase I delivered in 2011 and Phase II in 2020. Being more competitive in terms of quality and providing availability of new space, Amtel Phase II is viewed as the main competitor for West Gate Logistic.

h. Investments

Investments in 2023

The Company did not make investments in current or non-current assets during the year ended 31 December 2023.

Future Investments

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

With respect to the Parent Company and its subsidiaries, the Group has put on hold all capital expenditures except critical outlays that are important for either technical safety or rental income.

i. Research & Development

In 2023, 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 arrangements known to the Company that at a subsequent date may result in a change in control of the Company.

k. Legal and Arbitration Proceedings

In 2023, neither the Company nor the Parent Company were not party to any governmental, legal or arbitration proceedings (including those that are pending or threatened of which the Company is aware)

¹ Based on the latest independent valuation report of the Property as of 31 December 2023 performed by CBRE;

² Based on the unaudited data of the issuer

which may have, or have had in the recent past, a significant effect on the Company's and the Group's financial standing or profitability.

2. Corporate Governance, Risks the Company May Be Exposed to in Relation to the Financial Reporting Process and Risk Management Procedures, System of Internal Control

a. Parent Company

Given that the ownership interest in the Company is held solely by the Parent Company, no shareholders' meetings are convened and the Parent Company exercises the power of the general meeting of the Company. A general meeting of the Company may decide, in addition to 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 properties or their fundamental parts, and
- Determination of a business strategy.

All decisions 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 was:

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 joined the Group early on in May 2001, starting as an accountant and rising to the position of Deputy CFO of the Dragon Capital Group, a leading international investment company in Ukraine. In this capacity she was responsible for treasury management and financing planning, negotiations with banks, tax planning, optimization of intercompany cash flows, assistance and supervision of the internal and external audits of the group, budgeting, and cost management.

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

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

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

d. Audit Committee

The Audit Committee was established on 19 March 2021 for the purpose of performing controlling functions at the Company. The basic function of the Audit Committee is supervision of the process of setting up 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. The majority of Audit Committee members are independent of the company and professionally qualified. The term in office of a member of the Audit Committee is 3 (three) years. Re-election of a member of the Audit Committee is possible.

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 a total annual service fee of CZK 50 thousand, while one member is working on a non-remunerated basis.

f. Shares and other securities held by 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

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 to 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 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;
- achievement of set goals.

j. Policies in Relation to Environmental Protection and Social Area

The Company does not pursue sustainability objectives in the environmental, social or corporate governance areas under the Sustainability Regulation. Sustainability risks are assessed individually (as the case may be) taking into account materiality, the development of the risk over time for the investment strategy, market trends and individual assets of the Company. We believe that incorporating sustainability risks into the investment decision-making process will further refine the risk-adjusted profitability in individual portfolios. We aim to achieve this by

- Providing analysts with sufficient information on significant ESG risks and enabling them to identify risks and opportunities in this area.
- Continuous monitoring of existing investments, developing our ESG risk data base, and reviewing the credibility of sources (e.g. issuers) and data quality.
- Setting up and adjusting internal criteria for investment eligibility (including a list of unsupported investments)
- Monitoring current developments in Czech and European legislation and aligning our processes with them.

The Company's investments do not take into consideration EU criteria for environmentally sustainable economic activities.

The impact of sustainability risks on returns is assessed on a case-by-case basis for each investment as part of the cost-benefit analysis made prior to any purchase transaction. The analysis also includes an assessment of other risks that impact the Company's performance

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)

With respect to environmental protection, 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, but the Company sees the importance of protecting labour rights and defines a set of minimum labour standards as follows:

- 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 a general rule, the Company gathers information about its counterparties. The information is the starting point for anti-money laundering identification procedures. Because of the risk that a 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 the risks stated above, the Company operates a strict KYC policy when establishing business relationships with services providers. The 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 the 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.

As of the date of signing of this report, the receivables related to contribution outside of the registered capital in the amount of USD 2,000 thousand had not been repaid.

4. Financial Situation

a. Risk and Uncertainties Related to the Company

From the Company's perspective, the following main risk factors 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 a 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 the 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 their 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.

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 its 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 operational 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 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. Risk Factors Relating to War

Group business has suffered major shock due to Russia's war on Ukraine, outcome of war remains unpredictable

No assurance can be given at this stage about the outcome of Ukraine's war with Russia, and once the war ends, the Ukrainian economy and the Group's business will likely take years to recover to pre-war levels. Although military hostilities in the Kyiv region have long ceased, there is the risk that Russian forces will attempt a new incursion or damage or completely destroy important infrastructure in the region, which could lead to an exodus of the local population to safer regions in Ukraine. The overall economic, humanitarian and social situation in Ukraine affects the ability of the Group's business to generate profit.

Any property may be damaged or fully destroyed due to continuing shelling of Ukrainian cities by Russian forces

As noted above, although the Kyiv region is currently safely away from the war zone, the risk is that any local property may be damaged or fully destroyed as a result of Russia's continuing artillery and missile attacks against civilian targets in Ukraine or due to a new incursion by Russian or pro-Russian forces into the Kyiv region. If any property is destroyed, the Subsidiaries may fail to make a sufficient profit, so the risk is that they will not be able to pay the Parent Company a share of the profits. Further prolongation of military activities may result in disruption of the parent company's day-to-day operational activities or significant damage to the parent company's assets. The conditions and situations described above indicate the existence of a significant uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. More information is provided in Note 2(e) in the financial statements of this report.

Legislative steps taken by Ukrainian authorities in response to war

There is the risk that the Ukrainian authorities may impose additional wartime restrictions on the operating, financing and investing activity of the Subsidiaries and/or on the regime of transferring profits outside of Ukraine. If the Subsidiaries fail to make a profit or are restricted from transferring it abroad, they will not be able to pay the Parent Company a share of their profits in the form of dividends or repayment of the intragroup loan.

d. Audit Fees

Total fees accrued by the auditors for the provision of audit services with respect to the Financial Statements for 2023 amounted to USD 64.9 thousand including VAT. No fees for non-audit services were invoiced by the auditors in 2023.

Affidavit

The CEO of the Company declares that all information and data in this annual report correspond to the facts and that no material circumstances have been omitted and that this annual report gives a true and fair view of the assets, liabilities and financial situation of the Company, its business activities and the results of the Company's management for the past financial year period and to the best knowledge of the Company's executive, all information and data in this annual report correspond to the prospects for the future development of the financial situation, business activity and economic results of the Company together with a description of the main risks and uncertainties that the company faces.

In Prague, 30 April 2024

Signed by:

A handwritten signature in blue ink, appearing to read 'N. Zolotarova', with a long, sweeping horizontal stroke extending to the right.

Natalia Zolotarova
(Managing director)

Exhibit I: Individual Financial Statements Including Independent Auditor's Report

Individual Statement of financial position

as at 31.12.2023

07757662

Name of accounting unit

NUPEH CZ s.r.o.

Registered office, residence or place of
business of accounting unitAntala Staška 1859/34, 140 00 Praha
4

(USD '000)

	Notes	31.12.2023	31.12.2022
ASSETS			
Current assets			
Cash and cash equivalents	5	82	1 241
Provided loans	6	643	2 885
Trade and other receivables	7	3 700	1 900
Other receivables	7	3 700	1 900
Prepaid expense	7	44	64
Total current assets		4 469	6 090
Non-current assets			
Provided loans	6	27 688	41 941
Total non-current assets		27 688	41 941
Total assets		32 157	48 031
EQUITY AND LIABILITIES			
Current liabilities			
Issued bonds	9	1 011	875
Payables from derivatives	11	441	1 938
Trade and other liabilities	10	9	28
Trade liabilities	10	8	28
Other liabilities	10	1	-
Liability accruals and deferrals	10	79	48
Total current liabilities		1 540	2 889
Non-current liabilities			
Issued bonds	9	29 544	45 035
Total non-current liabilities		29 544	45 035
Equity			
Register capital	8	9	9
Other capital accounts	8	10 260	6 360
Retained earnings	8	-9 196	-6 262
Retained earnings	8	-6 262	-4 237
Profit or loss	8	-2 934	-2 025
Total equity		1 073	107
Total equity and liabilities		32 157	48 031

Individual Statement of profit or loss and other comprehensive income

for period from 1 January 2023 to 31 December 2023

Name of accounting unit

NUPEH CZ s.r.o.

Registered office, residence
or place of business of
accounting unit

07757862

Antala Staška 1859/34, 140 00 Praha 4

(USD '000)

	Notes	1.1.2023 - 31.12.2023	1.1.2022 - 31.12.2022
Interest income	14	6 257	6 424
Interest expenses	14	-5 909	-6 216
Net interest income/expense		348	208
Gain/(loss) on derivatives	14	1 497	283
Foreign exchange gain	14	1 026	1 436
Foreign exchange loss	14	-1 210	-7
Impairment losses on financial instruments	14	-4 057	-3 764
Other operating expense	13	-538	-181
Profit (loss) before tax		-2 934	-2 025
Income tax	12	-	-
Deferred tax	12	-	-
Profit (loss) for period		-2 934	-2 025
Other comprehensive income		-	-
Total comprehensive income for the period		-2 934	-2 025
Profit attributable to:			
Equity holders of the Company		-2 934	-2 025
Total comprehensible income attributable to:			
Equity holders of the Company		-2 934	-2 025

Individual Cash flow statement
for period from 1 January 2023 to 31 December 2023

07757662

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 Praha 4

(USD '000)

Operational Cash Flow Statement

	1.1.2023-31.12.2023	1.1.2022-31.12.2022
Net profit (loss) for the period	-2 934	-2 025
Adjustments for non-cash transactions:		
impairment loss	4 057	3 764
revaluation of derivatives	-1 497	-283
interest expense	2 637	2 944
interest income	-3 487	-3 830
result from derivate operations	502	678
one-off impact to PL - early redemption of bonds	216	-
unrealised currency exchange difference	633	-1 427
	127	-179
Adjustments for changes in working capital:		
other liabilities and accruals	32	-8
other receivables and accruals	20	8
reduction (increase) in balance of trade receivables	-	-
increase (reductions) in balance of trade liabilities	-20	26
Total cash flows from operations	159	-153
Cash flows from financing		
Loans granted to parent company	10 195	-
Interest income received from loan to parent company	5 729	1 909
Loans and credits received	-16 354	-
Interest paid from issued bonds	-2 492	-2 594
Additional capital received	2 100	2 400
Interest received from derivatives	2 770	2 594
Interest paid from derivatives	-3 272	-3 272
Total cash flows from financing	-1 324	1 037
Net increase in cash and cash equivalents	-1 165	884
Balance of cash and cash equivalents as at start of period	5 1 241	359
Increase (reduction) during period	-1 165	884
Effect of foreign exchange rate changes	6	-2
Balance of cash and cash equivalents as at end of period	5 82	1 241

Individual Statement of Changes in Equity

for period from 1 January 2023 to 31 December 2023

07757662

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 Praha 4

(USD '000)

	Registered capital	Other capital accounts	Retained earnings	Equity
Balance as at 1 January 2022	9	4 460	-4 237	232
Profit for the period			-2 025	-2 025
Other comprehensive income				-
Deposit outside share capital		1 900		1 900
Balance as at 31 December 2022	9	6 360	-6 262	107

	Registered capital	Other capital accounts	Retained earnings	Equity
Balance as at 1 January 2023	9	6 360	-6 262	107
Profit for the period			-2 934	-2 934
Other comprehensive income				-
Deposit outside share capital		3 900		3 900
Balance as at 31 December 2023	9	10 260	-9 196	1 073

1 Background

(a) Organisation and operations

NUPEH CZ s. r. o. (the “Company” or “NUPEH CZ”) 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” or the “Parent Company”), 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 ultimate beneficial owner of the Company is Mr. Tomáš Fiala.

The Company is being consolidated by its Parent Company NEW UKRAINE PE HOLDING LIMITED.

The consolidated financial statements are available on the website <https://nupeh-cz.com/>. Subsidiaries that are part of the same consolidated group (NUPEH Group) are listed in the following spreadsheet:

Name of the company 31.12.2023	Name of the company 31.12.2022	Country of registration
Atlantic-Pacific Ventures LLC	Atlantic-Pacific Ventures LLC	Ukraine
East Gate Logistik LLC	East Gate Logistik LLC	Ukraine
West Gate Logistic LLC	West Gate Logistic LLC	Ukraine
Property Management Solutions One LLC	Property Management Solutions One LLC	Ukraine
Property Management Solutions Two LLC	Property Management Solutions Two LLC	Ukraine
Property Management Services LLC	Property Management Services LLC	Ukraine
	1849-Apollo Overseas I Limited	Cyprus
	Turcosa Investments Limited	Cyprus
	AICEE II Finance Cyprus Limited	Cyprus
	EGL Holding Limited	Cyprus
	GLD Logistik Park Holding Limited	Cyprus
	SZ Harbour Finance Limited	Cyprus
	Orbelson Holding Limited	Cyprus
	Glanston Holdings Limited	Cyprus
	Mevalor Enterprises Limited	Cyprus

In May 2023, the Cyprus subsidiaries of the Parent Company were voluntarily liquidated.

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.

The shareholders of NEW UKRAINE PE HOLDING LIMITED (i.e. parent company of NUPEH CZ s.r.o. as at 31 December 2023 and 31 December 2022 were Dragon Capital Investments Limited (Republic of Cyprus) with 21.96% ownership, the company ultimately controlled by Tomas Fiala, Dragon Capital New Ukraine Fund (Jersey) with 35.85% ownership, Larington Holdings Ltd. with 39.64% ownership and Langrose Investment Ltd with 2.55%.

Dragon Capital New Ukraine Fund (Jersey) is a limited partnership of Jersey formed under a partnership agreement and had the following structure as at 31 December 2023 and 31 December 2022: Ukrainian Redevelopment Fund LP - 43%, Dragon Capital Investments Limited (Republic of Cyprus) – 42%, Northern Point Holdings Limited – 14% and DC Partners (Jersey) Limited (a company 100% owned by Dragon Capital Investments Limited (Republic of 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 the real estate sector in Ukraine.

As at 31 December 2023, the Parent's investments are represented by the following projects:

- Pyramida project (Atlantic-Pacific Ventures LLC): shopping centre with the gross leasing area equal to 15,900 sq. m (to be expanded to 20,317 square meters upon completion of reconstruction);
- 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 7,316 sq. m. and associated land plot of 14.4 ha.;
- Property Management Solutions One ("PMS One"): A-class business centre "Eurasia" with the gross leasing area of 27,930 sq. m.;
- Property Management Solutions Two ("PMS Two"): A-class business centre "Prime" with the gross leasing area of 8,847 sq. m. and associated land plot of 0.15 ha.

As at 31 December 2022, the Parent's investments are represented by the following projects:

- Pyramida project (Atlantic-Pacific Ventures LLC): shopping centre with the gross leasing area equal to 15,934 sq. m. (effectively 19,238, following the reconstruction is finished);
- East Gate Logistic project: A-class warehouse with the gross leasing area equal to 49,029 sq. m.;
- West Gate Logistic project: A-class warehouse with the gross leasing area equal to 7,316 sq. m. and associated land plot of 14.4 ha.;
- Property Management Solutions One ("PMS One"): A-class business centre "Eurasia" with the gross leasing area of 27,854 sq. m.;
- Property Management Solutions Two ("PMS Two"): A-class business centre "Prime" with the gross leasing area of 8,761 sq. m. and associated land plot of 0.15 ha.

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

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

(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 31 December 2023 and as at 31 December 2022.

(c) Functional and presentation currency

The functional currency of the Company as at and for the year ended 31 December 2023 and 31 December 2022 is US Dollars (“USD”).

The functional currency of the Parent Company is USD. Based on the determination of Company’s management the Company does not carry out its own activities and act 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.

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

These financial statements are presented in 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 recognised 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 recognised in the financial statements is included in the following notes:

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

Note 15 (a) – determination of the loss allowance for expected credit losses.

(e) Going concern

The Company incurred net loss for the year ended 31 December 2023 in the amount of USD 2,934 thousand (2022: net loss USD 2,025 thousand). The main cause for the current period loss is the ECL adjustment to the provided loan.

As at 31 December 2023, the Company has positive equity in the amount of USD 1,073 thousand (31 December 2022: USD 107 thousand).

The Company's loan to the Shareholder (please refer to Note 6), according to the contractual conditions, is to be repaid before the maturity date of the bonds. The Company also purchased a cross-currency swap with J&T BANKA, a.s. to bridge the currency mismatch between the issued bonds and the provided loan in USD (please refer to Note 11).

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. As the Company's only activity is financing the Parent Company, the Company is also affected by the same risks as the Parent Company, and the potential impact on the Loan recoverability would respectively influence the Bonds repayment.

The continuing war in Ukraine remains the main risk factor for the Company's performance in the current year. Taking into account that NUPEH Group's assets are all located within the Kyiv region, each property faces a material risk of being either damaged or completely destroyed.

During the 2023 year and through the date at which these financial statements were issued, all assets of the Parent Company were not directly affected by military hostilities and were in good condition as of the date of the report. Russian missile and drone attacks and associated air raid alerts did not significantly impact the performance of the Parent Company's investments in Ukraine. The Ukrainian subsidiaries have been working with their tenants and suppliers to lighten the impact of warfare on operations and negotiate the terms of continuing cooperation.

The Parent Company has taken the necessary steps to manage its financial obligations. It received the consent of JT Banka, the lender of the Parent Company's own loan facility of USD 40 million to defer payment of all interest for the period between 1 January 2022 and 31 December 2023 to 31 March 2024. Payment of the principal due between 1 January 2022 and 31 December 2023 was deferred to the maturity date, which is 31 December 2025. The aim of these postponements was to ensure that the Parent Company has the ability to repay NUPEH CZ for the purpose of subsequent coupon payments to the bondholders and partially redeeming the bonds.

Although the Group's real estate property owners will continue to operate and generate cash incomings from the date of introducing martial law, the National Bank of Ukraine imposed temporary restrictions, including suspension of the operation of Ukraine's FX market, except for FX sales by customers, introducing a moratorium on cross-border foreign currency payments that may impossible as of now to upstream cash from Ukrainian subsidiaries to the Parent Company. From 2023, Ukrainian entities up streamed generated cash to the Parent Company in Ukrainian national currency. Business expects restrictions to be cancelled.

Notwithstanding the above at the date at which these financial statements were issued the Parent Company has the possibility to continue generate cash to service their bank debt and the loan obligations to NUPEH CZ. There are no other liabilities which could have a significant impact on the possibility of the Parent Company servicing the liabilities described before. Additionally the Parent Company has a reserve on DSR account balance in the amount of USD 1.1 million which is enough for one coupon payment of NUPEH CZ.

With regard to the destroyed building of the West Gate Logistics warehouse, the owner company initiated a criminal case and registered the damages on the special website <https://damaged.in.ua/> that was launched jointly with the Office of the President and the Ministry of Economy of Ukraine to collect information about damaged objects during the war started by Russia against Ukraine. Also, the owner of the building received the report. Experts from the State Research Institute of Building Structures issued the report on the assessment of the technical and operational condition of the West Gate Logistics warehouse, which included a description of the degree and nature of damage to the facility. The facility was assessed as emergency and it is recommended to carry out works related to the dismantling

(liquidation) of the facility. Also, the Company ordered a complex examination (construction and technical, commodity, investigation of traces of weapons, missile traces and situational circumstances of the shot and explosives, etc.) of the West Gate Logistics warehouse, which is currently being carried out by experts of the Kyiv Scientific Research Institute of Forensic Expertise (under Ministry of Justice of Ukraine). This information may be later used as evidence in Ukrainian and/or international courts or via other procedures to compensate damages. The Ukrainian government has not yet established explicit legal mechanisms for compensating losses incurred by businesses that were targeted by Russian military attacks. However, officials are actively working on developing such mechanisms.

The Russian invasion has considerable impacts on the Company's financial statements due to increasing credit risk resulting in a material adjustment to ECL (see Note 6).

Financial impact on individual Ukrainian subsidiaries' cash flow and other financial indicators, which serve to pay interest from the bonds is described in more detail in annual report in section 1b.

Additional direct financial impact caused by the Russian invasion is hard to predict. Management believes that actions taken and management future plans, including variable scenarios, will support the sustainability of the Company's business, which may mitigate the level of uncertainty to the level where management may conclude that the company is a going concern. However, the future business environment may differ from management's assessment. Prolongation of military activities may result in disruption of the daily operating activities of the Parent Company, or significant damage to the Parent Company's assets. Conditions and situation described above indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements have been prepared on a going concern basis and do not include any adjustments that would be necessary if the Company was unable to continue as a going concern.

(f) Measurement of fair values

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 years ended 31 December 2023 and 2022, no transfer between levels of the fair value hierarchy was recognised.

3 Significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are described below.

(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 the 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 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

All financial assets and financial liabilities are initially recognised 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 recognised 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 recognised 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 Group 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 recognised in profit or loss. Any gain or loss on derecognition is recognised 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 an 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 of 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 amortised 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 amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Company measures all of its financial liabilities at amortised 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 is 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.

The Company does not report a derivative as a hedging instrument; all movements in fair value are recognised as profit or loss in the Company's statement of profit or loss.

(c) Impairment

The Company uses the "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.

Under the general approach, the Company determine whether the financial asset is in one of three stages:

- Stage 1 - financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. 12-month ECL are recognised and interest income is calculated on the gross carrying amount of the asset. 12-month ECL results from possible default events within the 12 months after the reporting date;
- Stage 2 - credit risk has increased significantly since initial recognition and has high credit risk at the reporting date. Lifetime ECL are recognised and interest income is calculated on the gross carrying amount of the asset. Lifetime ECL results from all possible default events over the expected life of a financial instrument;
- Stage 3 - the financial asset has objective evidence of impairment at the reporting date (credit-impaired). Lifetime ECL are recognised and interest revenue is calculated on the net carrying amount.

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 a credit risk rating system and assesses debtors' solvency based on information obtained on a 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 since initial recognition;
- the receivable or part thereof is more than 30 days past due;
- the exposure has been designated as an exposure with forbearance due to the significant financial difficulty of the debtor;

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 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).

The Company has only one intercompany loan to Shareholder classified on Stage2 for the years 2023 and 2022. ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- 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 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) Income and expense interest, foreign exchange gain and loss

Interest expense contains interest expense on loans and borrowings and the unwinding of discounts on financial liabilities.

Interest income comprises interest income on funds invested.

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

Registered capital

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

Other capital accounts

Other capital accounts are 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 they relate 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.

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 New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- *Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;*
- *IFRS 17 Insurance Contracts (including amendments to IFRS 17 from June 2020 and amendments to IFRS 17 and IFRS 9 from December 2021);*
- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021);*
- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021);*
- *Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction;*
- *Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules;*
- *Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback;*
- *Amendments to IAS 1 - Classification of Liabilities as Current or Non-current;*
- *Amendments to IAS 1 – Non-current Liabilities with Covenants;*
- *Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements;*
- *Amendments to IAS 21 - Lack of Exchangeability.*

5 Cash and cash equivalents

Cash and cash equivalents as at 31 December were as follows:

	31 December 2023	31 December 2022
<i>(in thousands of USD)</i>		
Cash on bank accounts	82	1 241
	<u>82</u>	<u>1 241</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 was immaterial.

6 Provided loans

	31 December 2023	31 December 2022
<i>(in thousands of USD)</i>		
Loan to Shareholder	37,148	49,585
Expected credit losses	(8,817)	(4,759)
	28,331	44,826
Out of that: long term	27,688	41,941
Out of that: short term	643	2,885

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 9). 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 provided loans represent accrued interest on loans provided, which are due in the year ending 31 December 2023.

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.

<i>(in thousands of USD)</i>	Principal	Accrued Interest	Maturity	Interest rate (%)	EIR
Loan to Shareholder	36,505	643	16 October 2025	8.2%	8.2%
	36,505	643		8.2%	8.2%

Values as at 31 December 2022 are in the below table:

<i>(in thousands of USD)</i>	Principal	Accrued Interest	Maturity	Interest rate (%)	EIR
Loan to Shareholder	46,700	2,885	16 October 2025	8.2%	8.2%
	46,700	2,885		8.2%	8.2%

Information on reported impairment

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

(in thousands of USD)	1 January 2023	Increase	31 December 2023
Loan to Shareholder	4,759	4,058	8,817
	4,759	4,058	8,817
(in thousands of USD)	1 January 2022	Increase	31 December 2022
Loan to Shareholder	995	3,764	4,759
	995	3,764	4,759

The provision for expected credit losses was calculated on a lifetime basis (expected credit losses that result from all possible default events over the expected life of the financial instrument.).

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

The external rating equivalent of risk was modified by one level from Caa to the Ca-C category in comparison to the data as of 31 December 2022.

Moody's long-term obligations ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honoured as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

Obligations rated Ca-C are judged to be subject to very high credit risk. Obligations rated Caa are judged to be poor standing and are subject to very high credit risk, with the numerical modifier 2 indicates a ranking in lower end of Ca rating category.

https://www.moody.com/sites/products/AboutMoodyRatingsAttachments/MoodysRatingSymbolsandDefinitions.pdf?source=content_type%3Areact%7Cfirst_level_url%3Aarticle%7Csection%3Amain_content%7Cbutton%3Abody_link

The classification of Loan is Stage2 for the years 2023 and 2022.

The borrower is incorporated under the legislation of Cyprus, however all its assets on which the loan repayment is depended are situated in Ukraine.

Current year calculation is based on the Lifetime ECL of Ukraine's rating as at 31.12.2023 – Ca. The PD value according to Moody's report for the year 2023 obtained from Moody's Annual Default Study 2022, Exhibit 41: "Average cumulative issuer-weighted global default rates by alphanumeric rating, 1983-2022" is 44.6%.

	Year 1	Year 2	Year 3
Ca-C	32.6%	44.6%	53.1%

The LGD parameter as at 31.12.2023 obtained from Moody's Annual Default Study 2022, Exhibit 28: Average senior unsecured bond recovery rates by year before default, 1983-2022 is 61.3%.

Prior year calculation was based on the Lifetime ECL of Ukraine's rating as at 31.12.2022 - Caa. The PD value according to Moody's report for the year 2022 obtained from Moody's Annual Default Study 2022, Exhibit 41: "Average cumulative issuer-weighted global default rates by alphanumeric rating, 1983-2022" is 19.9%.

	Year 1	Year 2	Year 3
Caa	7.1%	13.8%	19.9%

The LGD parameter as at 31.12.2022 obtained from Moody's Annual Default Study 2022, Exhibit 28: "Average senior unsecured bond recovery rates by year before default, 1983-2022" is 61.5%.

The method of determining the amount of the impairment, together with the parameters of PD and LGD, is described in more detail in Note 15 - Risk management procedures and disclosure of information.

31 December 2023

31 December 2022

	Fair value	Carrying amount	Fair value	Carrying amount
(in thousands of USD)				
Loan to Shareholder	28,331	28,331	44,826	44,826
	28,331	28,331	44,826	44,826

All interest-bearing financial instruments at amortised cost are categorised in Level 3 of the fair value hierarchy (for more details on the measurement, see note 2 (d) – Measurement of fair values).

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 2023 and as at 31 December 2022.

7 Trade and other receivables

	31 December 2023	31 December 2022
(in thousands of USD)		
Other receivables – related to contribution outside the registered capital	3,700	1,900
Prepaid expenses	44	64
	3,744	1,964
Out of that: short term	3,744	1,964
Out of that: long term	-	-

As at 31 December 2023, the Company does not record any overdue trade receivables or other overdue assets.

In 2023, a surcharge outside the registered capital occurred in the amount of USD 3,900 thousand by the NEW UKRAINE PE HOLDING LIMITED (in 2022, in the amount of USD 1,900 thousand).

As of the date of signing, the receivables related to the contribution outside of the registered capital amounted to USD 2,000 thousand.

Credit risks and impairment losses in relation to trade and other receivables are dealt with in Note 15 - Risk Management and Disclosure Procedures.

The receivables related to the contribution outside of the registered capital of 2022 in the amount of USD 1,900 thousand were fully paid on 26 April 2023. Receivable related to the contribution outside of the registered capital as of 30 June 2023 in the amount of USD 3,900 thousand were partially paid on 25 October 2023 in the amount of USD 200 thousand and in April 2024 in the amount of USD 1,700 thousand.

The prepaid expenses are related to administrative fees paid in relation to the issuance of bonds.

8 Equity

The Company's registered capital amounts to USD 9 thousand. As at 31 December 2023, as well as at 31 December 2022, it consists of one business share, which is owned by a Shareholder (Parent). The Company does not own its own shares.

The business share is fully paid. The business share was pledged in favour of the company J&T Banka, a.s.

There are no special rights, preferences or restrictions attached to the business share. The dividend pay-out or the repayment of capital is not restricted in any way.

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

The Company has other capital accounts in the amount of USD 10,260 thousand, as at 31 December 2022, in the amount of USD 6,360 thousand, the balance consists of surcharges outside the registered capital by sole shareholder of the Company.

In 2023, a surcharge outside the registered capital occurred in the amount of USD 3,900 thousand by the NEW UKRAINE PE HOLDING LIMITED (in 2022, in the amount of USD 1,900 thousand).

For the year ended 31 December 2023 the Company reports a cumulative loss in the amount of USD 9,196 thousand (2022: USD 6,262 thousand). The Company's management considerations in respect of this situation were described in Note 2e.

9 Issued bonds

	31 December 2023	31 December 2022
<i>(in thousands of USD)</i>		
Issued bonds at amortised cost	30,555	45,910
	30,555	45,910
Out of that: short term	1,011	875
Out of that: long term	29,544	45,035

Short-term financial instruments are represented by accrued interest on issued bonds, which is due within one year from the balance sheet date. Long-term instruments are presented by the principal payable.

The Company has exercised its right to partially redeem its obligation from issued bonds and, on 30 April 2023, has partially repaid the nominal value of issued bonds. The nominal value was decreased from the original value of CZK 10,000 to CZK 7,900 per bond. The Notice of the early redemption of the bonds was issued on 21 March 2023. The owners of bonds received extraordinary interest income in the amount of 1% of the total amount of the early repaid nominal amount of bonds.

The Company has further exercised its right to partially redeem its obligation from issued bonds and, on 30 October 2023, has partially repaid the nominal value of issued bonds. The nominal value was decreased from the original value of CZK 7,900 to CZK 6,550 per bond. The Notice of the early redemption of the bonds was issued on 20 September 2023. The owners of bonds received extraordinary interest income in the amount of 1% of the total amount of the early repaid nominal amount of bonds.

The amount of the long-term part of the issued bonds changed year-on-year only due to the exchange rate difference, the bonds were issued in CZK, for the purposes of the financial statements they are revalued at the USD exchange rate as of December 31 of the respective year.

Detailed information in respect of bonds issued as at 31 December 2023 is provided in the table below:

<i>(in thousands of USD)</i>	Principal	Accrued interest	Maturity	Coupon rate (%)	EIR
Issued bonds	19,629	769	30 October 2025	5.9%	6.76%
Issued bonds	5,666	138	30 October 2025	5.9%	7.00%
Issued bonds	4,249	104	30 October 2025	5.9%	7.00%
	29,544	1,011		5.9%	-

Detailed information in respect of bonds issued as at 31 December 2022 is provided in the table below:

<i>(in thousands of USD)</i>	Principal	Accrued interest	Maturity	Coupon rate (%)	EIR
Issued bonds	29,974	694	30 October 2025	5.9%	6.76%
Issued bonds	8,606	103	30 October 2025	5.9%	7.00%
Issued bonds	6,455	78	30 October 2025	5.9%	7.00%
	45,035	875		5.9%	-

The issued bonds were accepted and listed on the public market regulated by the company Burza cenných papírů Praha, a.s. (Stock exchange in Prague (Czech Republic)) on 30 October 2020 with a total nominal value of CZK 1 050 million (USD 46,373 thousand), maturing in 2025.

The above-mentioned issuance of bonds comprised of a tranche of 30 October 2020 with total nominal value of CZK 700 million (USD 30,048 thousand) and a tranche of 30 June 2021 with a total nominal value of CZK 350 million (USD 16,325 thousand).

Interest is payable twice: on 30 April and 30 October each year. The total nominal amount of subscribed bonds as at 31 December 2023 was CZK 687.75 million as at 31 December 2022 the value was CZK 1,050 million.

NEW UKRAINE PE HOLDING LIMITED (Shareholder) guaranteed the Issuer's Bonds in the form of a financial guarantee under Czech law. The Company may redeem Bonds at any time at any price on the market or otherwise. If there is no early repayment, the Company will repay the principal of the Bond in a lump sum on 30 October 2025.

Transaction costs in the amount of CZK 22,097 thousand (USD 946 thousand) were associated with the issue of the tranche with the nominal value CZK 700 million. These costs are recognised in the statement of profit or loss during the Bonds life based on the effective interest rate. The coupon rate is 5.9%. The effective interest rate is 6.76%.

Transaction costs in the amount of CZK 6,331 thousand (USD 288 thousand) were associated with the issue of the tranche with the nominal value CZK 200 million. These costs are recognised in the statement of profit or loss during the Bonds life based on the effective interest rate. The coupon rate is 5.9%. The effective interest rate is 7.00%.

Transaction costs in the amount of CZK 4,748 thousand (USD 216 thousand) were associated with the issue of the tranche with the nominal value CZK 150 million. These costs are recognised in the statement of profit or loss during the Bonds life based on the effective interest rate. The coupon rate is 5.9%. The effective interest rate is 7.00%.

	31 December 2023		31 December 2022	
	Fair value	Carrying amount	Fair value	Carrying amount
<i>(in thousands of USD)</i>				
Issued bonds	24,589	30,555	32,499	45,910
	<u>24,589</u>	<u>30,555</u>	<u>32,499</u>	<u>45,910</u>

All interest-bearing financial instruments at amortised cost are categorised in Level 1 of the fair value hierarchy (for more details on the measurement, see note 2 (f) – Measurement of fair values). The fair value for Level 1 was calculated based on the quoted bond price as at 31 December 2023 and 31 December 2022.

10 Trade and other liabilities

	31 December 2023	31 December 2022
<i>(in thousands of USD)</i>		
Trade liabilities	8	28
Other liabilities	1	-
Liability accruals	79	48
	<u>88</u>	<u>76</u>
Out of that: short term	<u>88</u>	<u>76</u>

As at 31 December 2023 and 2022, trade and other liabilities are not secured.

Management reports there are no overdue liabilities as at 31 December 2023 and 2022.

The liquidity risk to which the Company is exposed in connection with trade and other payables is described in Note 15 - Risk Management and Disclosure Procedures.

Other liabilities as at 31 December 2023 include liability towards the audit committee from remuneration and related contributions.

Liability accruals as at 31 December 2023 and 2022 include the amount for the financial statements audit and external accounting services.

11 Receivables and payables from derivatives

	31 December 2023	31 December 2022
<i>(in thousands of USD)</i>		
Fair value of the swap	(441)	(1,938)
	<u>(441)</u>	<u>(1,938)</u>

As at 31 December 2023 the company has 2 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.

The Company set up a swap on 23 June 2021 in the amount of CZK 200,000 thousand with a Czech crown interest rate of 5.9% against the amount of USD 9,421 thousand with a dollar interest rate of 6.45%. The maturity of the swap is October 29, 2025.

The Company valued and recognised the fair value of the swap as a liability in the amount of USD 490 thousand as at 31 December 2023, as at 31 December 2022 the fair value of the swap was recognised as a liability in the amount of USD 970 thousand.

The Company set up a swap on 23 June 2021 in the amount of CZK 150,000 thousand with a Czech crown interest rate of 5.9% against the amount of USD 7,065 thousand with a dollar interest rate of 6.45%. The maturity of the swap is October 29, 2025.

The Company valued and recognised the fair value of the swap as a liability in the amount of USD 368 thousand as at 31 December 2023, as at 31 December 2022 the fair value of the swap was recognised as a liability in the amount of USD 728 thousand.

The Company additionally set up an FX swap on 26 September 2023 in the amount of CZK 337,757 thousand against the amount of USD 14,631 thousand. The maturity of the swap is 29 April 2024.

The Company valued and recognised the fair value of the swap as a liability in the amount of USD 417 thousand as at 31 December 2023, as at 31 December 2022 in the amount of USD 0 thousand.

The Company does not report a derivative as a hedging instrument; all movements in fair value are recognised as profit or loss in the Company's statement of profit or loss.

12 Income and deferred tax

During 2023 and 2022, the Company did not report any tax obligations. Assessed tax loss that has been reported by the Company for all previous periods from the establishment of the Company, exceeds the total profit recorded by the 31 December 2023 (effective tax in 2023: 0%, in 2022: 0%). During 2023 and 2022 the Company did not report any deferred tax.

13 Other operating expenses

Operating expenses represent costs associated with the further servicing and administration of the bonds (see Note 9 - Issued bonds) and accounting and audit expenses.

Staff cost represents remuneration to members of the audit committee. The audit committee has in total three members, of which two members are entitled to remuneration. The remuneration is paid out to the members based on valid service agreement twice a year, in January and July retrospectively.

Other expenses include transaction costs associated with the early redemption of the bonds of 1% of the principal amount prepaid, which amounted to USD 164 thousand, and current account interest earned of USD 31 thousand.

In accordance with IFRS 9, the Company recognised a one-off impact to profit and loss statement on the early redemption of the bonds of USD 216 thousand.

	1.1.2023 – 31/12/2023	1.1.2022 – 31/12/2022
<i>(in thousands of USD)</i>		
Legal services	10	5
Accounting, audit	176	173
Staff cost of the audit committee	3	3
Other cost	133	-
Loss on early redemption of bonds	216	-
	538	181

14 Financial income and financial expenses

	1.1.2023 – 31/12/2023	1.1.2022 – 31/12/2022
<i>(in thousands of USD)</i>		
Interest income calculated using the effective interest rate	3,487	3,830
Gain on derivatives	1,497	283
Interest income from derivatives	2,770	2,594
Foreign exchange gain	1,026	1,436
Total financial income	8,780	8,143

	1.1.2023 – 31/12/2023	1.1.2022 – 31/12/2022
<i>(in thousands of USD)</i>		
Interest expenses	2,637	2,944
Impairment losses on financial instruments	4,057	3,764
Loss on derivatives	-	-
Interest loss from derivatives	3,272	3,272
Foreign exchange loss	1,210	7
Total financial expenses	11,176	9,987
Net financial expenses shown in the statement of profit or loss	2,396	1,844

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

Impairment losses on financial instruments is created for expected credit loss of loan given to the shareholder. Please refer to Note 6.

Transaction costs associated with the issue are included in interest expense (see Note 9). To bridge the currency difference from holding the bond, the Company holds two cross-currency swaps and one FX swap, the fair value of which was recognised as a derivative gain as at 31 December 2023 (fair value as at 31 December 2022 was recognised as a derivative loss), please refer to Note 11.

Interest income and interest loss from derivatives includes interest from swap operations that Company concluded in order to minimize the interest and currency risk arising from the position of issued bond in CZK and loan granted in USD. Please refer to Note 11.

The exchange rate losses include among others losses from the revaluation of bonds issued in CZK to USD.

The exchange gain includes amongst others the exchange rate gains from the revaluation of bank account held in foreign currencies and liability accruals and deferrals and also exchange rates gains from money transfers between currencies.

15 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 analyse 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 46,700 thousand using funds from subscribed bonds. As at 31.12.2023, the loan receivable balance is USD 36,505.

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.

The Company has only one intercompany loan to Shareholder.

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 recognised.

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 forms 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 Level 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 Level 1 (12-month ECL). If the exposure is defaulted and the Company notifies the Borrower on the event of default, then it is assigned a Level 3.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates the financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor,
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Company used the following model to calculate the expected credit losses provision (ECL) as at 31 December 2023:

(in thousands of USD)

External rating equivalent	Probability of default (PD)	LGD	EAD*	Calculated loss (ECL)
Ca-C	44.6%	61.3%	32,249	8,817

*EAD is a discounted gross book value by relevant interest rate and due date

As at 31 December 2022:

(in thousands of USD)

External rating equivalent	Probability of default (PD)	LGD	EAD*	Calculated loss (ECL)
Caa	19.9%	61.5%	38,881	4,759

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

The external rating equivalent of risk was modified by one level from Caa to the Ca category in comparison to the data as of 31 December 2022.

Probability of default (PD) constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. For the purposes of ECL calculation to the provided loan to the Parent Company, the international credit rating of Ukraine (www.moodys.com) as of 31 December 2023, respectively as of 31 December 2022 was used.

Loss given default (LGD) is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. For the purposes of ECL calculation to the provided loan to the Parent Company as at 31 December 2023, the LGD was determined to be 61.3%, as at 31 December 2022, the value of 61.5%, the debtor has a significant amount of assets, represented by Investment properties located in Ukraine. In case of default under loan receivable, such properties will be used to settle the liabilities of the debtor.

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 882 thousand, as at 31. 12. 2022 by USD 476 thousand. If the probability of bankruptcy decreases by 10%, ECL would decrease by USD 882 thousand, as at 31. 12. 2022 by USD 476 thousand.

As the Company's only activity is financing the Parent Company, the Company is also affected by the same risks as the Parent Company. The Parent's investments are primarily located in Ukraine. Consequently, they are exposed to the economic and financial markets of Ukraine.

The continuing war in Ukraine remains the main risk factor for the Company's performance in the current year. Taking into account that NUPEH Group's assets are all located within the Kyiv region, each property faces a material risk of being either damaged or completely destroyed.

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

Credit risk by type of counterparty as at 31 December 2023 was as follows:

(in thousands of USD)

Assets	Enterprises (Real-estate)	Banks	Total
Cash and cash equivalents	-	82	82
Trade and other receivables	3,700		3,700
Provided loans	28,331	-	28,331
Prepaid expense	44	-	44
Total	32,075	82	32,157

Credit risk by type of counterparty as at 31 December 2022 was as follows:

(in thousands of USD)

Assets	Enterprises (Real-estate)	Banks	Total
Cash and cash equivalents	-	1,241	1,241
Trade and other receivables	1,900	-	1,900
Provided loans	44,826	-	44,826
Prepaid expense	64	-	64
Total	46,790	1,241	48,031

Credit risk by counterparty's territory as at 31 December 2023 was as follows:

(in thousands of USD)

Assets	Republic of Cyprus	Czech Republic	Total
Cash and cash equivalents	-	82	82
Trade and other receivables	3,700		3,700
Provided loans	28,331	-	28,331
Prepaid expense	-	44	44
Total	32,031	126	32,157

Credit risk by counterparty territory as at 31 December 2022 was as follows:

(in thousands of USD)

Assets	Republic of Cyprus	Czech Republic	Total
Cash and cash equivalents	-	1,241	1,241
Trade and other receivables	1,900	-	1,900
Provided loans	44,826	-	44,826
Prepaid expense	-	64	64
Total	46,726	1,305	48,031

(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 31 December 2023 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	82	82	82	-	-	-
Trade and other receivables	3,700	3,700		3,700		-
Provided loans	28,331	42,520	-	3,013	39,507	-
Prepaid expense	44	44	-	44	-	-
Total	32,157	46,346	82	6,757	39,507	-
Liabilities						
Trade and other payables	(88)	(88)	(88)	-	-	-
Payables of derivatives	(441)	(441)	-	-	(441)	
Bonds issued	(30,555)	(35,037)	-	(2,143)	(32,894)	-
Total	(31,084)	(35,566)	(88)	(2,143)	(33,335)	-
Net cash flow	1,073	10,780	(6)	4,614	6,172	

Contractual cash flows from financial assets and contractual maturities of financial liabilities as at 31 December 2022 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	1,241	1,241	1,241	-	-	-
Trade and other receivables	1,900	1,900	-	1,900	-	-
Provided loans	44,826	60,287	-	5,917	54,370	
Prepaid expense	64	64	-	64	-	
Total	48,031	63,492	1,241	7,881	54,370	

Liabilities						
Trade and other payables	(76)	(76)	(76)	-	-	-
Payables of derivatives	(1,938)	(1,938)	-	-	(1,938)	-
Bonds issued	(45,910)	(55,045)	-	(12,787)	(42,258)	-
Total	(47,924)	(57,059)	(76)	(12,787)	(44,196)	-
Net cash flow	107	6,433	1,165	(4,906)	10,174	

The management monitors the level of expected cash inflows on provided loans together with expected cash outflows on the bonds issued.

(c) Currency risk

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

More details regarding cross-currency swap no.1 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 J&TB vice versa
Currency pair	USD/CZK
Tenor	5 years
Exchange rate	22.980 (spot market rate)
Notional	700,000,000 CZK
Initial notional exchange	
volume, currency	700,000,000 CZK
Side	NUPEH buys USD vs CZK, J&TB vice versa
Value date	October 30th 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

The cross-currency swap no. 1 was early terminated on 25 October 2023, the final settlement was done on 27 October 2023.

More details regarding cross-currency swap no. 2 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 @6.45% pa 30E/360 s/a, and lends CZK and receives CZK fix coupon @5.90% pa 30E/360 s/a J&TB vice versa
Currency pair	USD/CZK
Tenor	4.39 years
Exchange rate	21.230 (spot market rate)
Notional	200,000,000 CZK

Initial notional exchange

volume, currency	200,000,000 CZK
Side	NUPEH buys USD vs CZK, J&TB vice versa
Value date	June 30th 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

More details regarding cross-currency swap no. 3 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 @6.45% pa 30E/360 s/a, and lends CZK and receives CZK fix coupon @5.90% pa 30E/360 s/a J&TB vice versa
Currency pair	USD/CZK
Tenor	4.39 years
Exchange rate	21.230 (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	June 30th 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

The company concluded in the 2023 FX swap. More details regarding FX swap are in the table below:

Party A	J&T BANK ("J&TB")
Party B	NUPEH CZ s.r.o. ("NUPEH")
Instrument	USD/CZK Foreign exchange swap

Purpose	hedge of currency risk related to an early redemption of bonds in CZK
Market	OTC
Side	Nupez sells CZK and buys CZK and buys USD and sells USD J&TB vice versa
Currency pair	USD/CZK
Tenor	0, 5 years
Exchange rate	23,085 (spot market rate)
Notional	337,756,635 CZK
Initial notional exchange	
volume, currency	337,756,635 CZK
Side	NUPEH sells CZK vs USD, J&TB. vice versa
Value date	September 26th 2023
Final notional Exchange	
Volume, currency	337,756,635 CZK
Side	NUPEH buys CZK vs USD, J&TB vice versa
Value date	April 29th 2024

The company also realises 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:

	31 December 2023			31 December 2022		
	Currency			Currency		
	CZK	USD	EUR	CZK	USD	EUR
<i>(in thousands of USD)</i>						
Cash and cash equivalents	77	5	-	44	1,196	1
Trade and other receivables	44	3,700	-	64	1,900	-
Loan provided	-	28,331	-	-	44,826	-
Total assets	121	32,036	-	108	47,922	1
Bonds issued	30,555	-	-	45,910	-	-
Trade and other liabilities	88	-	-	76	-	-
Total liabilities	30,643	-	-	45,986	-	-

(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 they 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:

(in thousands of USD)

As at 31 December 2023	To 1 year	1 to 5 year	Longer	Unspecified	Total
Assets					
Cash and cash equivalents	82	-	-	-	82
Trade and other receivables	3,700	-	-	-	3,700
Provided loans	643	27,688	-	-	28,331
Total	4,425	27,688	-	-	32,113
Liabilities					
Trade and other payables	(88)	-	-	-	(88)
Bonds issued	(1,011)	(29,544)	-	-	(30,555)
Total	(1,099)	(29,544)	-	-	(30,643)
Net cash flow	3,326	(1,856)	-	-	1,470

(in thousands of USD)

As at 31 December 2022	To 1 year	1 to 5 year	Longer	Unspecified	Total
Assets					
Cash and cash equivalents	1,241	-	-	-	1,241
Trade and other receivables	1,900	-	-	-	1,900
Provided loans	2,885	41,941	-	-	44,826
Total	6,026	41,941	-	-	47,967
Liabilities					
Trade and other payables	(28)	-	-	-	(28)
Bonds issued	(875)	(45,035)	-	-	(45,910)
Total	(903)	(45,035)	-	-	(45,938)
Net cash flow	5,123	(3,094)	-	-	2,029

(e) Operational risk

Operational risk is the risk of loss from fraud, unauthorised 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.

16 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 at 3022 Limassol, 16 Iouniou 1943, 9 Area A, Flat/Office 202, Republic of Cyprus.

(b) Transaction with related parties

As at 31 December 2023, and as at 31 December 2022 the Company reports the following unsettled balances with the related party.

(in thousands of USD)

	Debtor	31 December 2023	31 December 2022
Provided loan	NEW UKRAINE PE HOLDING LIMITED	28,331	44,826
Other receivables - related to contribution outside the registered capital	NEW UKRAINE PE HOLDING LIMITED	3,700	1,900
Total		32,031	46,726
Out of that: short term		4,343	4,785
Out of that: long term		27,688	41,941

All interest gain received from the provided loan was paid by the company NEW UKRAINE PE HOLDING LIMITED for the year 2023: USD 3,487 thousand (2022: USD 3,830 thousand).

(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 in the years ended 31 December 2023 and 31 December 2022 (besides the remuneration to the audit committee – please refer to Note 13).

17 Operating segments

The management of the Company has evaluated the principal activity of the Company, which is to provide financing to its sole shareholder via an intra-group loan. The Company is effectively a special purpose vehicle entity with aim to finance the sole shareholder, therefore the management of the Company determined that all activity creates only one reporting segment. Therefore, no operating segments were aggregated for the purposes of this financial statements.

Information presented in the statement of profit or loss, balance sheet and all disclosure remarks are all attributable to one reporting segment mentioned above.

18 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 that meet the terms for publication of the contingent liabilities.

19 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.

The Parent Company has taken the necessary steps to manage its financial obligations. It received the consent of J&T BANKA, a.s., the lender of the Parent Company's own loan facility of USD 40 million to defer payment of the March 2024 debt. Under Amendment #11 all interests for the period from 31.12.2021 till 30.03.2024 shall be paid on 30.06.2024. All interests for the period from 24.02.2022 till 28.02.2023 are postponed till the maturity date which is 31 December 2025. The payment of principal from 31.03.2022 till 31.03.2024 is postponed till maturity date which is 31 December 2025.

Under the Amendment #12 dated 22.04.2024 all interests for the period from 31.12.2021 until 23.02.2022 shall be paid on 30.06.2024. All interests from 24.02.2022 until 29.02.2024 shall be paid on 31.12.2025. All interests from 01.03.2024 until 30.03.2024 shall be paid on 30.06.2024.

In March 2024, the Company published the Notice of the early redemption of the Bonds. On 30 April 2024 the Company partially redeemed the Bonds, whereas the nominal amount of each Bond was decreased from CZK 6,550 to CZK 5,550.

In April 2024, a surcharge outside the registered capital was paid in the amount of USD 1,700 thousand. The interest accrued for the period from 16.10.2023 year till 15.04.2024 under the loan granted to the

Shareholder NEW UKRAINE PE HOLDING LIMITED, was fully paid in the amount of USD 1,512 thousand, and the payment of principal in the amount of USD 2,500 thousand.

This Annual report has been approved for issuance by the statutory body on 30.4.2024.

Compiled on: 30.4.2024	Signature of the statutory body: Natalia Zolotarova 
---------------------------	--



Deloitte Audit s.r.o.
Churchill I
Italská 2581/67
120 00 Praha 2 – Vinohrady
Czech Republic

Tel: +420 246 042 500
Fax: +420 246 042 555
DeloitteCZ@deloitteCE.com
www.deloitte.cz

Registered by the Municipal Court
in Prague, Section C, File 24349
ID. No.: 49620592
Tax ID. No.: CZ49620592

INDEPENDENT AUDITOR'S REPORT

To the Partner of NUPEH CZ s.r.o.

Having its registered office at: Antala Staška 1859/34, Krč, 140 00 Praha 4

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of NUPEH CZ s.r.o. (hereinafter also the "Company") prepared on the basis of IFRS Accounting Standards as adopted by the European Union, which comprise individual statement of financial position as at 31 December 2023, individual statement of profit or loss and other comprehensive income, individual statement of changes in equity and individual cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NUPEH CZ s.r.o. as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 (e) Going concern in the notes to the financial statements, which describes the impact of the Russia-Ukraine conflict on the Company.

The main activity of the Company is a loan provided to the parent entity NEW UKRAINE PE HOLDING LIMITED (hereinafter also the "Parent entity"). As of 31 December 2023, the balance of the provided loan amounted to a net total of USD 28,331 thousand. This loan represents 88% of the total assets of the Company. The Company's ability to continue as a going concern depends on the financial situation of the Parent entity that was negatively impacted by the Russia-Ukraine conflict. As stated in Note 2 (e) Going concern, these events or conditions, along with other matters as set forth in Note 2 (e) Going concern, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Expected Credit Losses (hereinafter “allowances”) regarding the loan provided to the parent entity

The Company establishes the allowances for the loan provided to the parent entity in a total balance of USD 8,817 thousand. Allowances were calculated based on IFRS 9 requirements. The measurement of allowances for loans is deemed a key audit matter due to the level of judgement applied by the Management, especially with regard to identifying impaired receivables and quantifying loan impairment.

We evaluated the system of internal controls relating to the calculation of allowances. We performed audit procedures focusing on an independent recalculation of the parameters used in the calculation of this allowance, evaluation of significant assumptions used in the calculation, detailed testing of significant input for the calculation of the allowance, recalculated the allowance and compared the results of this model to the Company's calculations. We also focused on whether the information that the Company provided in the notes to the financial statements, specifically in Note 6 Provided loan, is consistent with the EU IFRS requirements.

Other Matter

The financial statements of NUPEH CZ s.r.o. for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 2 May 2023.

Other Information in the Annual Financial Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Financial Report other than the financial statements, and auditor's report thereon. The Statutory Executive is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Statutory Executive and Audit Committee for the Financial Statements

The Statutory Executive is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Statutory Executive determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Executive is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Statutory Executive either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Executive.
- Conclude on the appropriateness of the Statutory Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Executive and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Statutory Executive and the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Statutory Executive and the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Information Required by Regulation (EU) No. 537/2014 of the European Parliament and of the Council

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of sole shareholder on 22 December 2023. This is our first year as the Company's auditor.

Consistency with the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on **26 April 2024** in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings, and which have not been disclosed in the Annual Financial Report.

Report on Compliance with the ESEF Regulation

We have conducted a reasonable assurance engagement on the verification of compliance of the financial statements included in the annual financial report with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”) that apply to the financial statements.

Responsibilities of the Statutory Executive

The Company’s Statutory Executive is responsible for the preparation of the financial statements in compliance with the ESEF Regulation. Inter alia, the Company’s Statutory Executive is responsible for:

- The design, implementation and maintenance of the internal control relevant for the application of the requirements of the ESEF Regulation;
- The preparation of all financial statements included in the annual financial report in the valid XHTML format; and
- The selection and use of XBRL mark-ups in line with the requirements of the ESEF Regulation.

Auditor’s Responsibilities

Our task is to express a conclusion whether the financial statements included in the annual financial report are, in all material respects, in compliance with the requirements of the ESEF Regulation, based on the audit evidence obtained. Our reasonable assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (hereinafter “ISAE 3000”).

The nature, timing and scope of the selected procedures depend on the auditor’s judgment. A reasonable assurance is a high level of assurance; however, it is not a guarantee that the examination conducted in accordance with the above standard will always detect a potentially existing material non-compliance with the requirements of the ESEF Regulation.

As part of our work, we performed the following procedures:

- We obtained an understanding of the requirements of the ESEF Regulation;
- We obtained an understanding of the Company’s internal control relevant for the application of the requirements of the ESEF Regulation;
- We identified and evaluated risks of material non-compliance with the ESEF Regulation, whether due to fraud or error; and
- Based on this, we designed and performed procedures responsive to those risks and aimed at obtaining a reasonable assurance for the purposes of expressing our conclusion.

The aim of our procedures was to assess whether:

- The financial statements included in the annual financial report were prepared in the valid XHTML format;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Company's financial statements for the year ended 31 December 2023 included in the annual financial report are, in all material respects, in compliance with the requirements of the ESEF Regulation.

In Prague on 30 April 2024

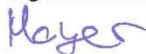
Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Miroslav Mayer
registration no. 2529



ZPRÁVA O VZTAZÍCH

zpracovaná statutárním orgánem Ovládané osoby v souladu s ustanovením § 82 zákona č. 90/2012 Sb., o obchodních společnostech a družstvech (zákon o obchodních korporacích), ve znění pozdějších předpisů (dále jen „**ZOK**“) za účetní období roku 2023

(dále jen „**Zpráva o vztazích**“)

I.

Struktura vztahů

1. Ovládaná osoba

Obchodní firma: **NUPEH CZ s.r.o.**

Identifikační číslo: 07757662

Sídlo: Antala Staška 1859/34,
Krč, 140 00 Praha 4,
Česká republika

Registrace: v obchodním rejstříku
vedeném Městským
soudem v Praze, oddíl C,
vložka 307124

(dále jen „**Společnost**“ nebo „**Ovládaná osoba**“)

2. Ovládající osoba

Obchodní firma: **NEW UKRAINE PE
HOLDING LIMITED**

Identifikační číslo: HE358309

Sídlo: 16 Iouniou 1943, 9
AREA A, Flat/Office
202, 3022, Lemesos,
Kyperská republika

Registrace: Oddělení zápisů
společností
Ministerstvem

REPORT ON RELATIONS

made by the statutory body of the Controlled Entity in accordance with provision of Section 82 of the Act No. 90/2012 Coll., Business Corporations Act, as amended, (hereinafter referred to as “**BCA**”) for the accounting period of the year 2023

(hereinafter referred to as the “**Report on Relations**”)

I.

Structure of relations

1. Controlled Entity

Business name: **NUPEH CZ s.r.o.**

Company ID No.: 07757662

Registered office: Antala Staška 1859/34,
Krč, 140 00 Praha 4,
Czech Republic

Registration: in the Commercial
Register maintained by
the Municipal Court in
Prague, Section C, Insert
307124

(hereinafter referred to as the “**Company**” or “**Controlled Entity**”)

2. Controlling Entity

Business name: **NEW UKRAINE PE
HOLDING LIMITED**

Company ID No.: HE358309

Registered office: 16 Iouniou 1943, 9
AREA A, Flat/Office
202, 3022, Limassol,
Cyprus

Registration: Ministry of Energy,
Commerce, Industry and
Tourism, Department of

energetiky, obchodu, průmyslu a turistického ruchu, Oddělení registrátora společností a úředního likvidátora Nikósie	Registrar of Companies and Official Receiver Nicosia
Ovládající osoba vlastnila k 31. 12. 2023 podíl odpovídající 100 % podílu na základním kapitálu Společnosti.	As of 31. 12. 2023, the Controlling Entity owned 100% share of the registered capital of the Company.
(dále jen „Ovládající osoba“)	(hereinafter referred to as the “ Controlling Entity ”)
3. Osoby ovládané stejnou Ovládající osobou	3. Entities controlled by the same Controlling Entity
Osoby ovládané Ovládající osobou přímo:	Entities controlled by the Controlling Entity directly:
Obchodní firma: ATLANTIC-PACIFIC VENTURES, LLC	Business name: ATLANTIC-PACIFIC VENTURES, LLC
Sídlo: 4 Oleksandra Mishugy Str., Kyjev, 02141, Ukrajina	Registered office: 4 Oleksandra Mishugy Str., Kyiv, 02141, Ukraine
Identifikační číslo: 35030924	Company ID No.: 35030924
Rejstříkový zápis: Jednotný státní registr právnických a fyzických osob-podnikatelů a spolků	Registration: United State Register of Legal Entities, Individual Entrepreneurs and Public Organizations of Ukraine
Výše podílů Ovládající osoby na základním kapitálu Ovládané osoby: 100%	Amount of shares held by the Controlling Entity in the registered capital of the Controlled Entity: 100%
Obchodní firma: WEST GATE LOGISTIK, LLC	Business name: WEST GATE LOGISTIK, LLC
Sídlo: 21 km Zhytomyrskoho avenue str., Stoianka village, Kyjevská oblast, 08114, Ukrajina	Registered office: 21 km Zhytomyrskoho avenue str., Stoianka village, Kyiv region, 08114, Ukraine
Identifikační číslo: 34361480	Company ID No.: 34361480
Rejstříkový zápis: Jednotný státní registr	Registration: United State Register of

	právnických a fyzických osob-podnikatelů a spolků		Legal Entities, Individual Entrepreneurs and Public Organizations of Ukraine
Výše podílů Ovládající osoby na základním kapitálu Ovládané osoby: 100%		Amount of shares held by the Controlling Entity in the registered capital of the Controlled Entity: 100%	
Obchodní firma:	EAST GATE LOGISTIK, LLC	Business name:	EAST GATE LOGISTIK, LLC
Sídlo:	28 Zaporizka str., Boryspil, Kyjevská oblast, 08300, Ukrajina	Registered office:	28 Zaporizka str., Boryspil, Kyiv region, 08300, Ukraine
Identifikační číslo:	32614649	Company ID No.:	32614649
Rejstříkový zápis:	Jednotný státní registr právnických a fyzických osob-podnikatelů a spolků	Registration:	United State Register of Legal Entities, Individual Entrepreneurs and Public Organizations of Ukraine
Výše podílů Ovládající osoby na základním kapitálu Ovládané osoby: 100%		Amount of shares held by the Controlling Entity in the registered capital of the Controlled Entity: 100%	
Obchodní firma:	PROPERTY MANAGEMENT SERVICES, LLC	Business name:	PROPERTY MANAGEMENT SERVICES, LLC
Sídlo:	75 Zhylianska street, 01032, Kyjev, Ukrajina	Registered office:	75 Zhylianska street, 01032, Kyiv, Ukraine
Identifikační číslo:	41403780	Company ID No.:	41403780
Rejstříkový zápis:	Jednotný státní registr právnických a fyzických osob-podnikatelů a spolků	Registration:	United State Register of Legal Entities, Individual Entrepreneurs and Public Organizations of Ukraine
Výše podílů Ovládající osoby na základním kapitálu Ovládané osoby: 100%		Amount of shares held by the Controlling Entity in the registered capital of the Controlled Entity: 100%	
Obchodní firma:	PROPERTY MANAGEMENT SOLUTIONS TWO, LLC	Business name:	PROPERTY MANAGEMENT SOLUTIONS TWO, LLC
Sídlo:	75, Zhylianska str.,	Registered office:	75, Zhylianska str.,

01032, Kyjev, Ukrajina
Identifikační číslo: 40988637
Rejstříkový zápis: Jednotný státní registr
právnických a fyzických
osob-podnikatelů a
spolků

Výše podílů Ovládající osoby na základním
kapitálu Ovládané osoby: 100%

Obchodní firma: **PROPERTY
MANAGEMENT
SOLUTIONS ONE,
LLC**

Sídlo: 75, Zhylionska str.,
01032, Kyjev, Ukrajina

Identifikační číslo: 40988024

Rejstříkový zápis: Jednotný státní registr
právnických a fyzických
osob-podnikatelů a
spolků

Výše podílů Ovládající osoby na základním
kapitálu Ovládané osoby: 100%

**Osoby ovládané Ovládající osobu
nepřímo:**

Obchodní firma: **EGL HOLDING
LIMITED**

Sídlo: Agiou Pavlou, 15,
LEDRA HOUSE, Agios
Andreas, 1105, Nikósie,
Kyperská republika

Identifikační číslo: HE 176317

Rejstříkový zápis: Oddělení zápisů
společností
Ministerstvem
energetiky, obchodu,
průmyslu a turistického
ruchu, Oddělení
registrátora společností a
úředního likvidátora

01032, Kyiv, Ukraine
Company ID No.: 40988637
Registration: United State Register of
Legal Entities, Individual
Entrepreneurs and Public
Organizations of Ukraine

Amount of shares held by the Controlling
Entity in the registered capital of the
Controlled Entity: 100%

Business name: **PROPERTY
MANAGEMENT
SOLUTIONS ONE,
LLC**

Registered office: 75, Zhylionska str.,
01032, Kyiv, Ukraine

Company ID No.: 40988024

Registration: United State Register of
Legal Entities, Individual
Entrepreneurs and Public
Organizations of Ukraine

Amount of shares held by the Controlling
Entity in the registered capital of the
Controlled Entity: 100%

**Entities controlled by the Controlling
Entity indirectly:**

Business name: **EGL HOLDING
LIMITED**

Registered office: Agiou Pavlou, 15,
LEDRA HOUSE, Agios
Andreas, 1105, Nicosia,
Cyprus

Company ID No.: HE 176317

Registration: Ministry of Energy,
Commerce, Industry and
Tourism, Department of
Registrar of Companies
and Official Receiver
Nicosia

Nikósie

Výše podílů Ovládající osoby na základním kapitálu Ovládané osoby: 100% prostřednictvím společnosti TURCOSA INVESTMENTS LIMITED

(dále jen „Osoby ovládané stejnou ovládající osobou“)

II. Úloha Ovládané osoby

Společnost je nezávislá a vysoce autonomní společnost, která je pouze definičně ovládanou osobou.

III. Způsob a prostředky ovládání

Společnost není ovládána jinak než prostřednictvím rozhodnutí jediného společníka (Ovládající osoby) Společnosti.

Mezi Společností, Ovládající osobou a/nebo Osobami ovládanými stejnou Ovládající osobou není uzavřena žádná speciální smlouva a tyto osoby společně nevyvíjely žádnou podnikatelskou či nepodnikatelskou činnost, a to kromě uzavření smluv uvedených v čl. V. této Zprávy o vztazích.

IV. Přehled jednání dle § 82 odst. 2 písm. d) ZOK

Společnost v relevantním období neučinila žádná jednání, která by byla učiněna na popud nebo v zájmu Ovládající osoby nebo Osob ovládaných stejnou Ovládající osobou, týkající se majetku, který přesahuje 10 % vlastního kapitálu Společnosti zjištěného podle poslední účetní závěrky, tj. v účetním období od 1. 1. 2023 do 31. 12. 2023.

Amount of shares held by the Controlling Entity in the registered capital of the Controlled Entity: 100% through TURCOSA INVESTMENTS LIMITED

(hereinafter referred to as the “Entities controlled by the same Controlling Entity”)

II. Role of the Controlled Entity

The Company is an independent and highly autonomous company, which is the Controlled Entity only by definition.

III. Method and means of control

The Company is controlled only through the resolutions of the sole member (Controlling Entity) of the Company.

No special contract has been concluded between the Company, the Controlling Entity and the Entities controlled by the same Controlling Entity and these entities have not jointly done any business or non-business activities, except for the conclusion of the contracts referred to in the Article V. of this Report on Relations.

IV. List of activities according to provision of Section 82 par. 2 letter d) of BCA

During the relevant period the Company has not taken any actions at the instigation or in favour of the Controlling Entity or Entities controlled by the same Controlling Entity, concerning assets exceeding 10% of the Company's equity as determined by the annual financial statements for the accounting period from

V.
Přehled vzájemných smluv

V relevantním období byly uzavřeny následující smlouvy mezi Ovládanou osobou a Ovládající osobou nebo Osobami ovládanými stejnou osobou:

- Poskytnutí půjčky mateřské společnosti - Smlouva o půjčce uzavřená dne 16. 10. 2020 mezi Ovládající osobou jako dlužníkem a Ovládanou osobou jako poskytovatelem.
- Dohoda o poskytnutí peněžitého příplatku formou příplatku mimo základní kapitál společnosti ze dne 30. 12. 2022 uzavřená mezi Ovládající osobou jako poskytovatelem a Ovládanou osobou jako příjemcem.
 - Dohoda o poskytnutí peněžitého příplatku formou příplatku mimo základní kapitál společnosti ze dne 30. 06. 2023 uzavřená mezi Ovládající osobou jako poskytovatelem a Ovládanou osobou jako příjemcem.

VI.
Posouzení vzniku újmy Ovládané osobě

Všechny smluvní vztahy popsány v čl. V této Zprávy o vztazích byly uzavřeny za obvyklých smluvních podmínek, přičemž sjednaná a poskytnutá plnění nebo

1. 1. 2023 to 31. 12. 2023.

V.
List of mutual contracts

In the relevant period, the following contracts were concluded between the Controlled Entity and the Controlling Entity or Entities controlled by the same Controlling Entity

- Provision of a loan to the parent company
– Loan Agreement concluded on 16 October 2020 between the Controlling Entity as the Borrower and the Controlled Entity as the Lender.
- Agreement on the provision of a contribution outside the registered capital concluded on 30 December 2022 between the Controlling Entity as the contributor and the Controlled Entity as the recipient.
- Agreement on the provision of a contribution outside the registered capital concluded on 30 June 2023 between the Controlling Entity as the contributor and the Controlled Entity as the recipient.

VI.
Assessment of the occurrence of harm to the Controlled Entity

All contractual relations described in Article V of this Report on Relations were concluded under normal contractual conditions, while the agreed-upon and provided performances

protiplnění odpovídala podmínkám obvyklého obchodního styku a Společnosti z nich nevznikla žádná újma, která by měla být předmětem vyrovnání dle ustanovení § 71 a § 72 ZOK.

VII. Závěr

1. Jednatel Společnosti vyhodnotil na základě dostupných informací výhody a nevýhody plynoucí z výše uvedených vztahů a dospěl k závěru, že Společnosti z něj neplynuly žádné zvláštní výhody a/nebo nevýhody. Jednatel Společnosti po důkladném zvážení proto s péčí řádného hospodáře prohlašuje, že si není vědom žádných rizik vyplývajících ze vztahů mezi Společností a výše popsanými osobami.
2. Jednatel Společnosti dále prohlašuje, že tato Zpráva o vztazích je úplná a pravdivá a byla vypracována na základě veškerých dostupných informací.

V/In Prague on/dne 31. 3. 2024

or consideration corresponded to the conditions of usual business relations and the Company did not suffer any damage from them, that would be subject to compensation pursuant to the provisions of Section 71 or 72 of BCA.

VII. Conclusion

1. On the basis of available information, the Executive of the Company has assessed the advantages and disadvantages arising from the above relations and has concluded that the Company has not received any particular advantages and / or disadvantages from them. Therefore, after careful consideration, the Executive of the Company declares, with due diligence, that they are not aware of any risks arising from the relationships between the Company and the persons described above.
2. The Executive of the Company further declares that this Report on Relations is complete and true and has been prepared on the basis of all available information.



Natalia Zolotarova,
Jednatel/Executive