HALF-YEAR REPORT
AND UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR H1 2024

NUPEH CZ s.r.o.

Identification number 077 57 662

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

This financial statements contains 63 pages

1. Legal basis

The company NUPEH CZ s.r.o. presents this Semiannual Report for the six months ended 30 June 2024, prepared in accordance with the requirements required by Act No. 563/1991 Coll., on Accounting, as amended, and § 119 (2) 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.nupeh-cz.com

E-mail: info@nupeh-cz.com

Phone: +420 221 710 383

About the Bonds

Name of the Bonds: NUPEH CZ 5.90/25

Key info: issued as book-entered securities due in 2025 and 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, 30 October 2023, and 30 April 2024, 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, then from 7,900 to CZK 6,550, and then from 6,500 to 5,550 and the total nominal value of the bond issuance from CZK 1,050,000,000 to CZK 829,500,000, then from CZK 829,500,000 to CZK 687,750,000, and then from CZK 687,750,000 to CZK 582,750,000.

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

Six Months Ended 30 June 2024

The Company's financial results for the half-year ended 30 June 2024 are set out below in Exhibit I. Total assets at the end of the reporting period stood at USD 30,077 thousand (1H 2023: USD 48,995 thousand), total liabilities equalled USD 26,483 thousand (1H 2023: USD 48,372 thousand), and net profit for the half-year ended 30 June 2024 amounted to USD 2,521 thousand (1H 2023 reported net loss of USD 3,986 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 5,550 to CZK 1,770, which will be exercised on 30 October 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 a 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 near to 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.

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 East Gate Logistic in the coming months remains cautiously optimistic, reflecting our confidence in their ability to sustain performance amidst stable market conditions.

West Gate Logistic

On August 21 2024, the sale deal of assets of West Gate Logistic (land and warehouse facilities) belonging to the Parent Company was closed. The consideration is hryvnia equivalent of $15.2 mln at NBU rate as of date of payment. The net proceeds will be used by the Parent company for repayment to the Company of intragroup loan and next to the early redemption of bonds on 30 October 2024.

The Group retained the ownership over the legal entity of West Gate Logistic LLC to continue the procedures of recovering damages caused by the destruction of the West Gate Logistic facility.

War impact on business environment of Group's assets

Russia's war on Ukraine continues to be dominated by attritional battles on largely stable front lines despite a high intensity of fighting. Russian forces have been on the offensive since October 2023, but their advances have remained largely limited to a 150 km sector in the eastern Donetsk region, with the rest of the 1,000 km frontage shifting only marginally. As of end-July 2024, Russia occupied c. 110,000 km2 or 18% of Ukraine, having increased its control by a mere 1% during its ten-month offensive. Considering its significant manpower and fires superiority, Russia will likely hold the initiative in the coming months, its immediate military (and political) objective being to capture the remainder of the Donetsk region, still circa. 40% Ukrainian-controlled. At the same time, Russia is widely assessed to be in need of another mass mobilization in order to achieve a strategic breakthrough on the battlefield. Ukraine's defensive capacity has strengthened with the resumption of US assistance from a newly approved $60bn package in April, but the aid flowing in is insufficient to enable a new offensive. Ukrainian forces will likely maintain a defensive posture for the rest of 2024, focusing on degrading Russia's military capacity through a high rate of battlefield attrition.

The Ukrainian economy returned to growth following a 28.8% slump in 2022 caused by the Russian invasion, with real GDP expanding by 5.3% y-o-y in 2023 and 6.5% in 1Q24. 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, which rose by 11%

y-o-y to 60 Mt, while domestic energy infrastructure suffered only minimal damage from Russian attacks until end-March 2024.

Russia's renewed attacks on Ukraine's critical infrastructure at the end of March 2024 reportedly damaged or destroyed half of the available power generating capacities (c. 9 GW, mostly maneuvering capacity) and triggered outages across the country. The impact of energy shortages was uneven among economic sectors with many industrial enterprises faring relatively well thanks to the availability of power imports, while small businesses may have been hit harder due to the high cost of autonomous power generation. Overall, according to Economy Ministry estimates, real GDP growth slowed to 4.1% y-o-y in 1H24, implying that the pace of growth decelerated to 1.9% y-o-y in 2Q24 from 6.5% in 1Q24.

Headline inflation was on a steep downward trend, falling to 3.2% y-o-y in March 2024 after reaching a wartime high of 26.6% y-o-y in December 2022. The rapid disinflation was driven by bumper harvests of agricultural crops, subsiding inflation and devaluation expectations amid continued F/X market stability, improved logistics, and domestic companies' broader adaptation to wartime conditions. However, headline inflation accelerated to 4.8% in July as the government hiked electricity tariffs, while fundamental inflationary pressures started to reemerge, partially fueled by aggravating labor market imbalances caused by the war.

The commercial real estate sector maintained relative stability despite escalating Russian missile attacks and increased power outages during 2Q 2024. Economic and wartime security risks continued to limit the recovery pace of consumer and business sentiment. Shrinking rental discounts on the back of broadly stable vacancy levels remained a major sign of stabilization and potential gradual recovery.

The retail market demonstrated resilience notwithstanding intensified Russian missile attacks and power outages in 2Q 2024. Most shopping centers had adapted to power shortages by installing autonomous power generators during the previous period of blackouts in the winter of 2023, providing stable power supply for visitors in 2Q. Footfall in Kyiv malls remained at ca. 10-15% below pre-war levels as of 2Q 2024, recovering from a drop of 70-80% in March 2022, while some of the most successful shopping centers reached pre-war footfalls. Consumer demand remained stable, supporting retail turnover and footfall dynamics. At the same time, headline inflation trended higher for three consecutive months, accelerating to 4.8% in June after bottoming out at 3.2% y-o-y in March and April (down from a high of 26.6% in December 2022). The Consumer Confidence Index (CCI), a survey-based gauge calculated by the market research firm Info Sapiens, decelerated to 64.5 points on a 0-200 scale in June after increasing to 77 in March, thus declining by 12.6 points year-to-date. Aggravating fundamental inflationary pressures along with less optimistic expectations for economic recovery and increased devaluation expectations were the key factors limiting the improvement in consumer confidence. All international retailers (except IKEA) resumed operations, including H&M in November 2023 and Inditex Group in April 2024. Operating retailers proceeded with cautious expansion in the most sought-after locations. No new shopping centers entered the Kyiv market during 2Q 2024, keeping the total volume of competitive retail stock unchanged at 1.59 m sqm. Prime rents for standard gallery sections (100-150 sqm) remained stable at $45-$65/sqm for new leases. Rents for secondary locations stood at $20-$40/sq m/month as of the end of 2Q 2024. Fewer tenants received rental discounts on the back of turnover and footfall growth, indicating a more sustainable recovery of retailers' performance. Average discounts ranged from 15-25%.

In the office market, business sentiment remained generally stable, demonstrating a cautious approach to decision-making on the back of economic uncertainty and wartime security situation. The National Bank's index of business activity expectations, a PMI-type gauge, rose by 0.9 points m-o-m in July, to 44.4 on a 0-100 scale (-4.3 y-o-y), remaining below its neutral level of 50 after peaking at c. 52 in March-April 2024. More severe power shortages and the still acute labor deficit due to ongoing mobilization were the major factors of business activity weakness. Demand for office space was mostly driven by relocations to less expensive buildings, downsizing of occupied space, or renegotiation of lease terms. Some occupiers explored the opportunities offered by beneficial lease terms and the availability of quality space to relocate to higher-quality offices with better location. With occupier demand remaining limited to relocations, with no remarkable signs of expansion, the average market vacancy rate remained high at 24.3% as of 2Q 2024, despite dipping by 0.7pp YTD. 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 discounted wartime rates and other incentives for current tenants through rental discounts or payment deferrals. At the same time, discount opportunities for existing leases narrowed down with significant discounts of 40-50% from pre-war levels and became less widespread.

The warehouse market continued to demonstrate solid fundamentals in 2Q 2024. Demand for quality warehouse space remained upbeat, with retail and logistics companies continuing to dominate leasing volumes. No new warehouse space entered the market in 2Q 2024, with the total competitive stock remaining unchanged. The average vacancy rate stood at 1.8% as of the end of June 2024 after declining by 2.2pp in 2023. Actual UAH-based rent rates for A-class quality ambient warehouses remained in the range of UAH 165-200/sqm as of the end of June 2024, growing by ca. 18% in UAH-terms year-to-date on the back of low availability of vacant space. As a result of consistently solid occupier demand in combination with scarcity of available supply for lease, landlords almost stopped providing rental discounts.

The war in Ukraine is already in its third year, mostly maintaining its defensive phase against Russian offensive. However, Ukrainian operation in Russia's Kursk region spreads to est. 1,000 km2 after first cross-border incursion was reported on Aug. 6. Regardless of the outcome of the Kursk offensive, this operation is likely to materially affect the Russians' perception of the war and associated costs, even though at this stage it's hard to access the potential shifts in the ongoing war. Assuming further financial and military support from international allies on the back of stabilization of the military situation on the frontline, the management of the Company believes that the basis of preparation of financial statements as at, and for the 6 months ended 30 June 2024 on a going concern basis, is appropriate.

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.

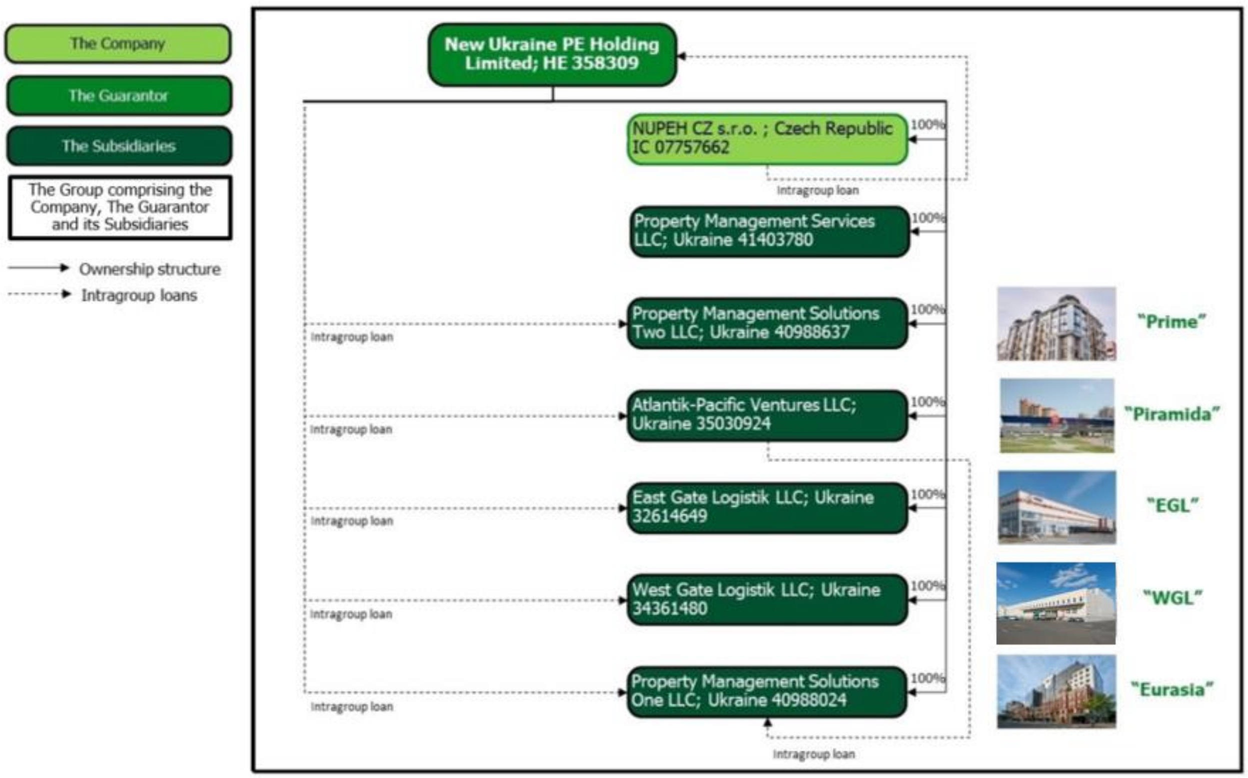
The main activity of the Company includes providing financial means acquired through the issue to the affiliates in NUPEH Group by means of loan, credit facility or other forms of financing. The Company does not currently perform any other activities.

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 30 June 2024, NUPEH investments comprised the following projects:

- Piramida: a shopping centre with a gross leasing area of 15,760 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 49,028 square meters;
- West Gate Logistic: an A-class warehouse with a gross leasing area of 7,313 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 27,924 square meters; and
- Property Management Solutions Two: A-class business centre Prime with a gross leasing area of 8,927 square meters and associated land plot of 0.15 hectares[1].

Scheme 1. Group Structure



d. Significant Events in 1H 2024

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.

[1] As per an independent valuation report of the Property for the year ended 31 December 2023 performed by CBRE

The National Bank of Ukraine has imposed temporary restrictions, including suspending the operation of the Ukrainian foreign exchange market, except for sales in foreign currencies 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 Company. In view of the National Bank of Ukraine's restrictions started in year 2023 Ukrainian entities upstreamed proceeds from property in Ukrainian national currency on Parent's accounts in Ukraine. In May 2024, foreign exchange restrictions have been relaxed partially allowing companies to repatriate dividends abroad based on the performance results for the period starting from 1 January 2024 and also purchasing foreign currency and transferring funds abroad to pay interest on external loans with the interest payments falling due after 24 February 2022. Further gradual easing of the established restrictions is expected.

During H1 2024 The Parent Company signed an additional agreement with its creditor J&T Banka to:

a) postpone repayments of unpaid Junior debt principal from 01/01/2022 year till 30/09/2024 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 29 September 2024 to 31 December 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.

On October 30, 2023, NUPEH executed the early redemption of the bonds, decreasing the nominal amount of each Bond from CZK 7,900 to CZK 6,550.

On April 30, 2024, NUPEH executed next early redemption of the bonds, decreasing the nominal amount of each Bond from CZK 6,550 to CZK 5,550.

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 the 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 30 June 2024. The breakdown of the GBA was as follows:

- Retail – 20,790 square meters (17%)[2] as of 30 June 2024 and 20,790 square meters (17%) as of 30 June 2023;

- Offices – 42,562 square meters (35%)[2]; as of as of 30 June 2024 and 42,562 square meters (35%) as of 30 June 2023; and
- Warehouses – 57,481 square meters (48%)[2] as of 30 June 2024 and 57,481 square meters (48%) as of 30 June 2023.

The total gross leasable area (GLA) operated by the Group was 108,952 square meters as of 30 June 2024. Breakdown of the GLA as follows:

- Retail – 15,760 square meters (15%)[1]; as of 30 June 2024 and 15,982 square meters (15%) as of 30 June 2023;
- Offices – 36,851 square meters (34%)[1]; as of 30 June 2024 and 36,751 square meters (34%) as of 30 June 2023; and
- Warehouses – 56,341 square meters (52%)[1] as of 30 June 2024 and 56,341 square meters (52%) as of 30 June 2023.

The Group's NOI for the half-year ended 30 June 2024 was USD 7.1 million and split as follows:

- Retail – 54% for the first six months of the year ended 30 June 2024, 53% for the first six months of the year ended 30 June 2023; and
- Offices – 27% for the first six months of the year ended 30 June 2024, 24% for the first six months of the year ended 30 June 2023; and
- Warehouses – 19% for the first six months of the year ended 30 June 2024, 23% for the first six months of the year ended 30 June 2023.

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 meters[1], GLA: 15,760 square meters[1]
- Vacancy: 0.1% as of 30 June 2024 (0.3% as of 30 June 2023, -0.2p.p. year-on-year)[2];
- Average monthly base rent: USD 37.2/square meter as of June 2024 (USD 34.6/square meter as of June 2023,+7.5% year-on-year)[2];
- Footfall (for the first six months of the year ended 30 June 2024): 2.8 million people (+18% year-on-year)[2];
- Value as of 31 December 2023: USD 52,600,000 (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 3,806 thousand for the first six months of the year ended 30 June 2024 (USD 3,203 for the first six months of the year ended 30 June 2023; +18% year-on-year)[2]

Key tenants:

- Silpo (hypermarket): area of 1,596 square meters, lease agreement ending in December 2030;
- Foxtrot (electronics): area of 1,006 square meters, lease agreement ending in February 2026;
- Ukrzoloto (jewelry): area of 417 square meters, lease agreement ending in June 2026;
- Comfy(electronics): area of 875 square meters, lease agreement ending in February 2026;
- Smik (children's goods): area of 521 square meters, lease agreement ending in May 2025;
- Goldy (clothes): area of 559 square meters, lease agreement ending in December 2026.

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 meters[2] as of 30 June 2024, 33,423 square meters as of 30 June 2023;
- GLA: 27,924 square meters[1] as of 30 June 2024, 27,930 square meters as of 30 June 2023;
- 13 levels;
- 2-level underground parking with 150 parking lots and 20 surface parking lots;
- Vacancy: 23.2% as of 30 June 2024 (55.5% as of 30 June 2023; -33.3 p.p. year-on-year)[2];
- Average monthly base rent: USD 10.3/square meter as of June 2024 (USD 10.4/square meter as of June 2023; -0.6% 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 1,157 thousand for the first six months of the year ended 30 June 2024 (USD 723 thousand for the first six months of the year ended 30 June 2023; +60% year-on-year)[2].

Key Tenants:

- PricewaterhouseCoopers: area of 2,526 square meters, lease agreement ending in August 2026;
- UN High Commissioner for Refugees: area of 3,991 square meters, lease agreement ending in August 2025;
- Nibulon: area of 3,793 square meters, lease agreement ending in March 2027[2].

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 meters[2]; as of 30 June 2024, 9,140 square meters as of 30 June 2023;
- GLA: 8,927 square meters as of 30 June 2024, 8,821 square meters as of 30 June 2023[1];
- 9 levels;
- 7 underground parking lots, surface parking with 20 lots;
- Vacancy: 0.0% as of 30 June 2024 (1.1% as of 30 June 2023; -1.1p.p. year-on-year)[1];
- Average monthly base rent: USD 9.5/square meter as of June 2024 (USD 9.5/square meter as of June 2023; 0% 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 783 thousand for the first six months of the year ended 30 June 2024 (USD 720 thousand for the first six months of the year ended 30 June 2023; +9% 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

Key Tenants:

- Deloitte: area of 2,231 square meters, lease agreement ending in July 2025;
- Sanofi: area of 2,688 square meters, lease agreement ending in September 2027;
- Miele: area of 658 square meters, lease agreement ending in June 2025;
- 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 Yaroslavska 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 meters[2]; GLA: 49,027 square meters[1];
- Vacancy: 5.2% as of 30 June 2024 (5.2% as of 30 June 2023; +0.0p.p. year-on-year)[2];
- Average monthly base rent: USD 4.5/square meter as of June 2024 (USD 4.5/square meters as of June 2023; 0% year-on-year)[2];
- Value as of 31 December 2023: USD 18,700,000 (USD 18,200,000 as of 31 December 2022; -0.5% year-on-year)[1];
- NOI: USD 1,253 thousand for the first six months of the year ended 30 June 2024 (USD 1,259 thousand for the first six months of the year ended 30 June 2023; -0.5% year-on-year)[2].

Key Tenants:

- Auchan: area of 33,832 square meters, lease agreement ending in June 2027[2];
- Fiege: area of 12,646 square meters, lease agreement ending in July 2029 for 12,039 square meters and in November 2024 for 606 square meters[2].

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[3]

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.

[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

[3] On August 21 2024, the sale deal of assets of West Gate Logistic was closed. The consideration is hryvnia equivalent of $15.2 mln at NBU rate as of date of payment. The net proceeds will be used for the early redemption of bonds on 30 October 2024.

Key Statistics:

- GBA: 7,675 square meters[2]; GLA: 7,313 square meters[1];
- Vacancy: 0.0% as of 30 June 2024 (no change year-on-year)[2];
- Average monthly base rent: USD 4.8/square meter as of June 2024 (USD 4.5/square meters as of June 2023; +7% year-on-year)[2];
- Value as of 31 December 2023: USD 5,500,000[1]; (USD 4,500,000 as of 31 December 2022;+11.1% year-on-year)[1]
- NOI: USD 122 thousand for the first six months of the year ended 30 June 2024 (USD 125 thousand for the first six months of the year ended 30 June 2023; -2% 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 1H 2024

The Company did not make investments in current or non-current assets during the half-year ended 30 June 2024.

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 1H 2024, the Company did not carry out any research and development activities and as a result did not incur any research and development costs.

[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

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 1H 2024, 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) 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 Semiannual 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

The total fees accrued in 1H 2024 for the audit services of the financial statements were USD 32,3 thousand without VAT and including paid overtimes. The audit of the condensed interim financial statements of the company for 1H 2024 has not been conducted.

Affidavit

The CEO of the Company declares that all information and data in this half-year report correspond to the facts and that no material circumstances have been omitted and that this half-year 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 six months ended 30 June 2024 and to the best knowledge of the Company's executive, all information and data in this half-year 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 September 2024

Natalia Zolotarova

Exhibit I: Condensed Interim Financial Statements for H1 2024 (Unaudited)

Individual Statement of financial position

as at 30.06.2024

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)

	Notes	30.06.2024	31.12.2023
ASSETS			
Current assets			
Cash and cash equivalents	5	44	82
Provided loans	6	579	643
Trade and other receivables	7	2 000	3 700
Other receivables	*7*	2 000	*3 700*
Other assets	7	17	44
Total current assets		2 640	4 469
Non-current assets			
Provided loans	6	27 437	27 688
Total non-current assets		27 437	27 688
Total assets		**30 077**	**32 157**
EQUITY AND LIABILITIES			
Current liabilities			
Issued bonds	9	1 019	1 011
Payables from derivates	11	1 364	441
Trade and other liabilities	10	2	9
Trade liabilities	*10*	*1*	*8*
Other liabilities	*10*	*1*	*1*
Liability accruals and deferrals	10	56	79
Corporate income tax	12	159	
Total current liabilities		2 600	1 540
Non-current liabilities			
Issued bonds	9	23 883	29 544
Total non-curren liabilities		23 883	29 544
Equity			
Register capital	8	9	9
Other capital accounts	8	10 260	10 260
Retained earnings	8	-6 675	-9 196
Retained earnings	*8*	*-9 196*	*-6 262*
Profit or loss	*8*	*2 521*	*-2 934*
Total equity		**3 594**	**1 073**
Total equity and liabilities		**30 077**	**32 157**

Individual Statement of profit or loss and other comprehensive income

for the six months ended 30 June 2024

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)

	Notes	1.1.2024 - 30.06.2024	1.1.2023 - 30.06.2023
Interest income calculated using the effective interest rate	14	1 449	1 831
Interest expenses	14	-930	-1 461
Net interest income/expense		**519**	**370**
Gain/(loss) on derivatives	14	-924	2 573
Interest income - derivatives	14	440	1 447
Interest expenses - derivatives	14	-532	-1 636
Foreign exchange gain	14	1 354	474
Foreign exchange loss	14	-328	-1 878
Impairment losses on financial instruments	14	2 347	-5 046
Other operating expense	13	-196	-290
Profit (loss) before tax		**2 680**	**-3 986**
Income tax	12	-159	-
Deferred tax	12	-	-
Profit (loss) for period		**2 521**	**-3 986**
Other comprehensive income		-	-
Total comprehensive income for the period		**2 521**	**-3 986**
Profit attributable to:			
Equity holders of the Company		2 521	-3 986
Total comprehensible income attributable to:			
Equity holders of the Company		2 521	-3 986

Individual Cash flow statement

for the six months ended 30 June 2024

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)

	1.1.2024 - 30.6.2024	1.1.2023 - 30.6.2023
Operational Cash Flow Statement		
Net profit (loss) for the period	**2 680**	**-3 986**
Adjustments for non-cash transactions:		
impairment loss	-2 347	5 046
revaluation of derivatives	924	-2 573
interest expense	930	1 461
interest income	-1 449	-1 831
result from derivate operations	92	189
one-off impact to PL - early redemption of bonds	104	111
unrealised currency exchange difference	-1 346	1 875
	-412	**292**
Adjustments for changes in working capital:		
other liabilities and accruals	-23	-6
other receivables and accruals	26	42
reduction (increase) in balance of trade and other receivables	-	-
increase (reductions) in balance of trade and other liabilities	-8	-10
Total cash flows from operations	**-417**	**318**
Cash flows from financing		
Repayment of Loan granted to parent company	2 599	4 564
Interest income received from loan to parent company	1 513	3 998
Principal paid on issued bonds	-4 472	-10 298
Interest paid from issued bonds	-864	-1 447
Additional capital received	1 700	1 900
Interest received from derivatives	440	1 447
Interest paid from derivatives	-532	-1 636
Total cash flows from financing	**384**	**-1 472**
Net increase in cash and cash equivalents	**-33**	**-1 154**
Balance of cash and cash equivalents as at start of period	**82**	**1 241**
Increase (reduction) during period	-33	-1 154
Effect of foreign exchange rate changes	-5	1
Balance of cash and cash equivalents as at end of period	**44**	**88**

Individual Statement of Changes in Equity

for the six months ended 30 June 2024

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	Capital accounts	Retained earnings	Equity
Balance as at 1 January 2023	**9**	**6 360**	**-6 262**	**107**
Profit for the period			-3 986	**-3 986**
Other comprehensive income				-
Deposit outside share capital		3 900		**3 900**
Balance as at 30 June 2023	**9**	**10 260**	**-10 248**	**21**

	Registered capital	Capital accounts	Retained earnings	Equity
Balance as at 1 January 2024	**9**	**10 260**	**-9 196**	**1 073**
Profit for the period			2 521	**2 521**
Other comprehensive income				-
Deposit outside share capital				**-**
Balance as at 30 June 2024	**9**	**10 260**	**-6 675**	**3 594**

1 Background

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 January 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 Company is being consolidated by its Parent Company NEW UKRAINE PE HOLDING LIMITED. The consolidated financial statements of the Parent Company are available on the website https://nupeh-cz.com/. Subsidiaries that are part of the same consolidated group are listed in the following spreadsheet:

Name of the company	Country of registration
Atlantic-Pacific Ventures LLC	Ukraine
East Gate Logistik LLC	Ukraine
West Gate Logistic LLC	Ukraine
Property Management Solutions One LLC	Ukraine
Property Management Solutions Two LLC	Ukraine
Property Management Services LLC	Ukraine

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 30 June 2024 and 31 December 2023 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 30 June 2024 and 31 December 2023: Ukrainian Redevelopment Fund LP - 43%, Dragon Capital Investments Limited (Republic of Cyprus) – 42%, Northem 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 30 June 2024, 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 15,760 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 49,028 sq. m.;

• West Gate Logistic project: A-class warehouse with the gross leasing area equal to 7,313 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 27,924 sq. m.;

• Property Management Solutions Two ("PMS Two"): A-class business centre "Prime" with the gross leasing area of 8,927 sq. m. and associated land plot of 0.15 ha.

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.

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

2 Basis of preparation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with standard IAS 34 „Interim Financial Reporting" as amended and adopted by the European Union (EU). Selected explanatory notes are stated in order to explain events and transactions, which are significant for the better comprehension of changes of the financial situation and the performance of the Company since the last Annual report as at 31 December 2023 and for the year ended 31 December 2023. These condensed interim financial statements does not include all of the information required for the Annual report compiled in accordance with the International Financial Reporting Standards ("IFRS").

The financial results of the period of six months ended 30 June 2024, may not necessarily reflect the situation and the results expected for the year end.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis, except for derivatives, which are carried at fair value as at 30 June 2024 and as at 31 December 2023.

(c) Functional and presentation currency

The functional currency of the Company as at and for the six months ended 30 June 2024 and year ended 31 December 2024 and for the six months ended 30 June 2023 is US Dollars ("USD").

Functional currency of the parent is USD. Based on the determination of Company's management the Company does not carry out its own activities and 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.

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

(d) Use of judgments, estimates and assumptions

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

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

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

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

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

(e) Going concern

The Company incurred net profit for the six months ended 30 June 2024 in amount of USD 2,521 thousand (for the six months ended 30 June 2023 net loss: USD 3,986 thousand). The main cause for the current period profit is the derivative gain, interest income and release of ECL adjustment to the provided loan.

As at 30 June 2024 the Company has positive equity in the amount of USD 3,594 thousand (31 December 2023: USD 1,073 thousand).

The Company's main asset is a loan to the Shareholder (please refer to Note 6) which according to the contractual conditions is to be repaid before the maturity date of the bonds. The Company also purchased a cross currency swaps with J&T BANKA, a.s. to bridge the currency mismatch between the issued bonds in CZK and the provided loan in USD (please refer to Note 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 of 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 the NUPEH Group's assets are all located within Kyiv region,each property faces a material risk of being either damaged or completely destroyed.

During the 6 months 2024 and through the date at which the financial statements were issued, all assets of Parent Company were unaffected directly by the military activities and were in good condition as of the date of the report. The missile and drone attacks, air raid alerts did not significantly impact the performance of Parent Company's investments in Ukraine. The Ukrainian subsidiaries have been working with the tenants and suppliers to ensure a smoother impact of warfare on operations, as well as to negotiate the terms of continuing cooperation.

The commercial real estate sector maintained relative stability despite escalating Russian missile attacks and increased power outages during 2024 year. Economic and wartime security risks continued to limit the recovery pace of consumer and business sentiment. Shrinking rental discounts on the back of broadly stable vacancy levels remained a major sign of stabilization and potential gradual recovery

Most shopping centers had adapted to power shortages by installing autonomous power generators during the previous period of blackouts in the winter of 2023, providing stable power supply for visitors in 2024 year. Footfall in Kyiv malls remained at ca. 10-15% below pre-war levels as of 2Q 2024, recovering from a drop of 70-80% in March 2022

Demand for warehouse space remained robust and mostly unchanged.

In the office market, business sentiment remained generally stable, demonstrating a cautious approach to decision-making on the back of economic uncertainty and wartime security situation. The Parent Company has taken necessary steps to manage its financial obligations. It received the consent of JT Banka, the lender of the Parent Company's loan facility of $40 million to defer payment

- all interests for the period from 31.12.2021 until 23.02.2022 shall be paid on 31.12.2024;
- all interests from 24.02.2022 until 29.02.2024 shall be paid on 31.12.2025;
- all interests from 01.03.2024 until 29.09.2024 shall be paid on 31.12.2024
- the payment of principal from 31.03.2022 year till 30.09.2024 is postponed till maturity date which is 31 December 2025.

The aim of these postponements was to ensure that the Parent Company has the ability to repay its debt to NUPEH CZ earlier for the purpose of subsequent coupon payments and partial redemption of the bonds to the bondholders.

The National Bank of Ukraine has imposed temporary restrictions, including suspending the operation of the Ukrainian foreign exchange market, except for sales in foreign currencies 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 Company. In view of the National Bank of Ukraine restrictions started in year 2023 Ukrainian entities upstreamed proceeds from property in Ukrainian national currency on Parent's accounts in Ukraine. In May 2024, foreign exchange restrictions have been relaxed partially allowing companies to repatriate dividends abroad based on the performance results for the period starting from 1 January 2024 and also purchasing foreign currency and transferring funds abroad to pay interest on external loans with the interest payments falling due after 24 February 2022. Further gradual easing of the established restrictions is expected.

In March 2024, NUPEH CZ 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 September 2024 the Company again published the Notice of the early redemption of the Bonds, whereas the nominal amount of each Bond will be decreased further from CZK 5,550 to CZK 1,770.

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 which is enough for one coupon payment of NUPEH CZ.

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 Russian invasion is hard to predict.

Management believes that actions taken and management future plans including variable scenarios will support the sustainability on 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.

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. During the six months ended 30 June 2024 and 30 June 2023 and year ended 31 December 2023, no transfer between levels of the fair value hierarchy was recognised.

3 Significant accounting policies

The accounting policy used in these condensed interim financial statements are the same as the policy used for the Annual report of the Company as at 31 December 2023 and for the year ended 31 December 2023. 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 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 recognized on the date when originated. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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

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

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

(ii) Classification and subsequent measurement of financial assets

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

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

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

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

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

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the 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 recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

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

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

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

(iii) Classification and subsequent measurement of financial liabilities

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

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

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

(iv) Offsetting

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

(v) Derivative financial instruments

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

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

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

(c) Impairment

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

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

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

- the credit internal rating has deteriorated since initial recognition;
- the receivable or part thereof is more than 30 days past due;

- the exposure has been designated as a exposure with forbearance 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 assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

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

Measurement of ECLs

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

The Company has only one intercompany loan to Shareholder classified on Stage2 for the years 2024 and 2023. 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 a security because of financial difficulties.

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

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

Presentation of impairment

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

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

(d) 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 it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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 period of six months beginning after 1 January 2024 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;*
- *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 30 June 2024 and as at 31 December 2023 were as follows:

	30 June 2024	**31 December 2023**
(in thousands of USD)		
Cash on bank accounts	44	82
	44	**82**

The Company holds funds with financial institutions in the Czech Republic, which are subject to regulatory supervision. Any impairment of funds was considered based on expected losses for twelve months and the

Company concluded on grounds of a completed analysis that the level of ECL is immaterial.

6 Provided loans

(in thousands of USD)	**30 June 2024**	**31 December 2023**
Loan to Shareholder	34,485	37,148
Expected credit losses	(6,469)	(8,817)
	28,016	**28,331**
Out of that: long term	27,437	27,688
Out of that: short term	579	643

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 financial instruments represent accrued interest on loans provided, which are due till 30 June 2024.

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.

Data valid as at 30 June 2024:

(in thousands of USD)	**Principal**	**Interest**	**Maturity**	**Interest rate (%)**	**EIR**
Loan to Shareholder	33,906	579	16 October 2025	8,2%	8,2%
	33,906	**579**		**8,2%**	**8,2%**

Part of the loan principal in the amount of USD 2,599 thousand was repaid on 16 April, 22 April and 29 May 2024.

Data valid at at 31 December 2023:

(in thousands of USD)	**Principal**	**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%**

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 2024**	**Decrease**	**30 June 2024**
Loan to Shareholder	8,817	-2,348	6,469
	8,817	**-2,348**	**6,469**

(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**

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.

Moody's long-term obligations ratings are opinions of relative credit risk of fixed-income obligations with an original maturity one year or more. They address the possibility that a financial obligation will not be honored 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.moodys.com/sites/products/AboutMoodysRatingsAttachments/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 2024 and 2023.

The borrower is incorporated under the legislation of the 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 30 June 2024 – Ca-C. The PD value used for the calculation as at 30 June 2024 was obtained from Moody's Annual Default Study 2023, Exhibit 41: Average cumulative issuer-weighted global default rates by alphanumeric rating, 1983-2023 and is 33.62%.

	Year 1	Year 2	Year 3
Ca-C	33.62%	46.61%	55.71%

The LGD parameter used as at 30 June 2024 was obtained from Moody's Annual Default Study 2023, Exhibit 28: Average senior unsecured bond recovery rates by year before default, 1983-2023 and is 61.8%

Prior year calculation was based on the Lifetime ECL of Ukraine's rating as at 31 December 2023 - Ca. 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 was 44.6%.

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

The LGD parameter as at 31 December 2023 obtained from Moody's Annual Default Study 2022, Exhibit 28: Average senior unsecured bond recovery rates by year before default, 1983-2022 was 61.3%.

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.

	30 June 2024		**31 December 2023**	
	Fair value	**Carrying amount**	**Fair value**	**Carrying amount**
(in thousands of USD)				
Loan to Shareholder	28,016	28,016	28,331	28,331
	28,016	**28,016**	**28,331**	**28,331**

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 (f) – 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 30 June 2024 and as at 31 December 2023.

7 Trade and other receivables

(in thousands of USD)	**30 June 2024**	**31 December 2023**
Other receivables	2,000	3,700
Other assets	17	44
	2,017	**3,744**
Out of that: short term	2,017	3,744
Out of that: long term	-	-

As at 30 June 2024, the Company does not record any overdue trade receivables or other overdue assets.

In six months ended 30 June 2024, a surcharge outside of the registered capital was not made by the NEW UKRAINE PE HOLDING LIMITED (in 2023 in the amount of USD 3,900 thousand).

The receivable related to the non-capital contribution made on 30 June 2023 was partially settled in April 2024 in the amount of USD 1,700 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 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 30 June 2024 as well as at 31 December 2023, 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 to 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 are not restricted in any way.

(in thousands of USD)	**Amount**	**Ownership interest %**	**Voting rights %**
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 2023 in the amount of USD 10,260 thousand, the balance consists of surcharges outside the registered capital by sole shareholder of the Company.

In six months ended 30 June 2024, no contribution outside the share capital was made by the Company (during the six months ended 30 June 2023, a contribution outside the share capital was made by NEW UKRAINE PE HOLDING LIMITED in the amount of USD 3,900 thousand).

For the six months ended 30 June 2024 the company reports a cumulative profit in the amount of USD 2,521 thousand (for the six months ended 30 June 2023 cumulative loss: USD 3,986 thousand). The company's management considerations in respect of this situation were described in Note 2e.

9 Issued bonds

(in thousands of USD)	30 June 2024	31 December 2023
Issued bonds at amortized cost	24,902	30,555
	24,902	**30,555**
Out of that: short term	1,019	1,011
Out of that: long term	23,883	29,544

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 2024 has partially repaid the nominal value of issued bonds. The nominal value was decreased from the original value CZK 6,550 to CZK 5,550 per bond. The Notice of the early redemption of the bonds was issued on 19 March 2024. The owners of bonds received extraordinary interest income in the amount of 0,5 % 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 due to the early redemption of the bonds and due to 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 June 30, and December 31 of the respective year.

Detailed information in respect of bonds issued as at 30 June 2024 is provided in the table below:

(in thousands of USD)	Principal	Accrued interest	Maturity	Coupon rate (%)	EIR
Issued bonds	15,854	764	30 October 2025	5,9%	6,76%
Issued bonds	4,588	146	30 October 2025	5,9%	7,00%
Issued bonds	3,441	109	30 October 2025	5,9%	7,00%
	23,883	**1,019**		**5,9%**	**-**

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

(in thousands of USD)	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%**	**-**

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 total nominal value of CZK 1,050 million (USD 46,373 thousand), maturing in 2025.

The above-mentioned issuance of bonds comprised of tranche of 30 October 2020 with total nominal value of CZK 700 million (USD 30,048 thousand) and tranche of 30 June 2021 with 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 30 June 2024 is CZK 582,75 million, as at 31 December 2023 was CZK 687,75 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 other early repayment, the Company will repay the remaining 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 recognized in the income statement during the Bonds life based on the effective interest rate. The coupon rate is 5.9%. The effective interest rate is 6.76 %.

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 recognized in the income statement during the Bonds life based on the effective interest rate. The coupon rate is 5.9%. The effective interest rate is 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 recognized in the income statement during the Bonds life based on the effective interest rate. The coupon rate is 5.9%. The effective interest rate is 7.00 %.

	30 June 2024		**31 December 2023**	
(in thousands of USD)	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**
Bonds	22,427	24,902	24,589	30,555
	22,427	**24,902**	**24,589**	**30,555**

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 quoted bond price as at 30 June 2024 and 31 December 2023.

10 Trade and other liabilities

	30 June 2024	31 December 2023
(in thousands of USD)		
Trade liabilities	1	8
Other liabilities	1	1
Liability accruals and deferrals	56	79
Corporate income tax	159	-
	217	**88**
Out of that: short term	217	88

As at 30 June 2024 and 31 December 2023 trade and other liabilities are not secured.

Management reports there are no overdue liabilities as at 30 June 2024 and 31 December 2023.

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 30 June 2024 contains mostly remuneration of the audit committee, as at 31 December 2023 there was no balance.

Liability accruals and deferrals as at 30 June 2024 and 31 December 2023 include primarily amount for the financial statements audit and outsourcing of accounting services.

11 Fair value of derivatives

	30 June 2024	31 December 2023
(in thousands of USD)		
Fair value of the swap	(1,364)	(441)
	(1,364)	**(441)**

As at 30 June 2024 the company has 2 cross currency swaps with J&T BANKA, a.s. to bridge the currency mismatch between the issued bonds 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 recognized the fair value of the swap as a liability in the amount of USD 837 thousand as at 30 June 2024, as at 31 December 2023 the fair value of the swap was recognized as a liability in the amount of USD 490 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 recognized the fair value of the swap as a liability in the amount of USD 628 thousand as at 30 June 2024, as at 31 December 2023 the fair value of the swap was recognized as a liability in the amount of USD 368 thousand.

The foreign exchange currency swap set on 26 September 2023 in the amount of USD 14,631 thousand was executed on 29 April 2024 with conversion to CZK 337,757 thousand. The fair value of the swap as at 31 December 2023 was recognised as an asset in the amount of USD 417 thousand.

The Company additionally set up FX swap on 18 April 2024 in the amount of CZK 223,896 thousand against the amount of USD 9,500 thousand. The maturity of the swap is October 29, 2024.

The Company valued and recognized the fair value of the swap as an asset in the amount of USD 101 thousand as at 30 June 2024, as at 31 December 2023 USD 0 thousand.

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

12 Income and deferred tax

In the six months ended June 30, 2024, the Company recognized a corporate income tax provision of USD 159 thousand and for the six months ended June 30, 2023, the Company did not recognize any tax liability. The effective tax rate in the six months ending 30 June 2024 is 5.93%, and in 2023: 0%. For the six months ended 30 June 2024 the Company has not identified any titles for deferred tax, as of 30 June 2023 the Company has not recorded deferred tax on a precautionary basis.

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

Other cost for the six months ended 30 June 2024 include transaction costs associated with the early redemption of the bonds of 0,5% of the principal amount prepaid, which amounted to USD 22 USD, and current account interest earned of USD 8 thousand.

Other cost for the six months ended 30 June 2023 include transaction costs associated with the early redemption of the bonds of 1% of the principal amount prepaid, which amounted to USD 103 USD, and current account interest earned of USD 25 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 104 thousand as of 30 June 2024, in the amount of USD 111 thousand as of 30 June 2023.

	Six months ended 30 June 2024	**Six months ended 30 June 2023**
(in thousands of USD)		
Legal services	0	8
Accounting, audit	77	92
Staff cost of the audit committee	1	1
Other cost	14	78
Loss on early redemption of bonds	104	111
	196	**290**

14 Financial income and financial expenses

	Six months ended 30 June 2024	**Six months ended 30 June 2023**
(in thousands of USD)		
Interest income calculated using the effective interest rate	1,449	1,831
Interest income from derivatives	440	1,447
Release of Impairment losses on financial instruments	2,347	-
Gain on derivatives	0	2,573
Foreign exchange gain	1,354	474
Total financial income	**5,590**	**6,325**

(in thousands of USD)	**Six months ended 30 June 2024**	**Six months ended 30 June 2023**
Interest expenses	930	1,461
Impairment losses on financial instruments	-	5,046
Loss on derivatives	924	-
Interest loss from derivatives	532	1,636
Foreign exchange loss	328	1,878
Total financial expenses	**2,714**	**10,021**
Net financial expenses/income shown in the Income statement	**2,876**	**(3,696)**

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 change in the fair value of which was recognized as a derivative loss as at 30 June 2024 (fair value as at 30 June 2023 was recognized as a derivative gain), 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 30 June 2024 is loan balance USD 33 906 thousand.

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 loan to a Partner.

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

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

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

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

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

If there has been a significant increase in credit risk since initial recognition, then the exposure is included in 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 in default and the Company notifies the borrower that it is in 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 30 June 2024:

(in thousands of USD)

External rating equivalent	Probability of default (PD)	LGD	EAD*	Calculated loss (ECL)
Ca-C	33.62%	61.8%	31,137	6,469

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

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

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

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 parent company the international credit rating of Ukraine (www.moodys.com) as of 30 June 2024, respectively as of 31 December 2023 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 parent company as at 30 June 2024, the PD was determined to 61,8 %, as at 31 December 2023 the value of 61,3 %, the debtor has 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 647 thousand, as at 31 December 2023 by 882 thousand USD. If the probability of bankruptcy decreases by 10%, ECL would decrease by USD 647 thousand, as at 31 December 2023 by 882 thousand USD.

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 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 30 June 2024 was as follows:

(in thousands of USD)

Assets	**Enterprises (Real-estate)**	**Banks**	**Total**
Cash and cash equivalents	-	44	**44**
Trade and other receivables	2,000	-	**2,000**
Provided loans	28,016	-	**28,016**
Prepaid expense	17		**17**
Total	**30,033**	**44**	**30,077**

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 counterparty's territory as at 30 June 2024 was as follows:

(in thousands of USD)

Assets	**Republic of Cyprus**	**Czech republic**	**Total**
Cash and cash equivalents	-	44	**44**
Trade and other receivables	2,000	-	**2,000**
Provided loans	28,016	-	**28,016**
Prepaid expense	-	17	**17**
Total	**30,016**	**61**	**30,077**

Credit risk by counterparty 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**

(b) Liquidity risk

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

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

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

Contractual cash flows from financial assets and contractual maturities of financial liabilities as at 30 June 2024 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	44	44	44	-	-	-
Trade and other receivables	2,000	2,000	-	2,000	-	-
Provided loans	28,016	38,088	-	2,788	35,300	-
Prepaid expense	17	17	-	17	-	-
Total	**30,077**	**40,149**	**44**	**4,805**	**35,300**	**-**

Liabilities						
Trade and other payables	(58)	(58)	(58)	-	-	-
Fair value of derivates	(1,364)	(1,364)	-	-	-	-
Bonds issued	(24,902)	(28,934)	-	(1,615)	(27,319)	-
Total	**(26,324)**	**(30,356)**	**(58)**	**(1,615)**	**(28,683)**	**-**
Net cash flow	**3,753**	**9,793**	**(14)**	**3,190**	**6,617**	**-**

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**	**-**

	Book value	Contractual cash flows	Less than 3 months	3 months to 1 year	1 – 5 years	Longer / Unspecified
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**	

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 a currency cross currency swaps with the bank.

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	Nupeh 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 swap was executed on 29 April 2024.

The Company concluded in the 2024 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	Nupeh 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	23,668 (spot market rate)
Notional	9,500,000 USD
Initial notional exchange	
volume, currency	9,500,000 USD
Side	NUPEH sells CZK vs USD, J&TB vice versa
Value date	April 29th 2024
Final notional Exchange	
Volume, currency	9,500,000 USD
Side	NUPEH buys CZK vs USD, J&TB vice versa
Value date	October 29th 2024

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

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

	30 June 2024			**31 December 2023**		
	Denominated in CZK	**Denominated in USD**	**Denominated in EUR**	**Denominated in CZK**	**Denominated in USD**	**Denominated in EUR**
(in thousands of USD)						
Cash and cash equivalents	42	2		77	5	-
Trade and other receivables	17	2,000		44	3,700	-
Loan provided	-	28,016		-	28,331	-
Total assets	**59**	**30,018**		**121**	**32,036**	**-**
Bonds issued	24,902	-		30,555	-	-
Trade and other liabilities	58	-		88	-	-
Total liabilities	**24,960**	**-**		**30,643**	**-**	**-**

(d) Interest rate risk

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

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

(in thousands of USD)

As at 30 June 2024	**To 1 year**	**1 to 5 year**	**Longer**	**Unspecified**	**Total**
Assets					
Cash and cash equivalents	44	-	-	-	**44**
Trade and other receivables	2,000	-	-	-	**2,000**
Provided loans	579	27,437	-	-	**28,016**
Total	**2,623**	**27,437**	**-**	**-**	**30,060**

Liabilities					
Trade and other payables	(58)	-	-	-	**(58)**
Bonds issued	(1,019)	(23,883)	-	-	**(24,902)**
Total	**(1,077)**	**(23,883)**	**-**	**-**	**(24,960)**
Net cash flow	**1,546**	**3,554**	**-**	**-**	**5,100**

(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**

(e) Operational risk

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

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

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

The Company has established an audit committee.

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

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

(b) Transaction with related parties

As at 30 June 2024, and as at 31 December 2023 the Company reports the following unsettled balances with the related party.

(in thousands of USD)

	Debtor	30 June 2024	31 December 2023
Provided loan	NEW UKRAINE PE HOLDING LIMITED	28,016	28,331
Other receivables - related to contribution outside the registered capital	NEW UKRAINE PE HOLDING LIMITED	2,000	3,700
Total		**30,016**	**32,031**
Out of that: short term		2,579	4,343
Out of that: long term		27,437	27,688

All interest gain received from provided loan was paid by company NEW UKRAINE PE HOLDING LIMITED in six months ended 30 June 2024: 1,449 thousand USD (in six months ended 30 June 2023: 1,831 thousand USD).

(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 six months ended 30 June 2024 and year ended 31 December 2023 (besides the remuneration to audit committee – please refer to Note 13).

17 Operating segments

The management of the Company has evaluated the principle activity of the Company, which is to provide a financing to its sole shareholder via 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 profit and loss statement, 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, which 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.

In September 2024, the Company published the Notice of the early redemption of the Bonds. On 30 October 2024 the Company partially redeemed the Bonds, whereas the nominal amount of each Bond was decreased from CZK 5,550 to CZK 1,770

In August 2024 LLC West Gate Logistic (subsidiary of the Parent Company) has sold Warehouse Complex including 14.42-hectare land plot, office and warehouse premises with a total area of approximately 7,000 square meters, and a destroyed building of 90,000 square meters. The Group retained the ownership over the legal entity of West Gate Logistic LLC to continue the procedures of recovering damages caused by the destruction of the West Gate Logistic facility.

This Semi-annual report has been approved for issuance by the statutory body on 30.9.2024.

Compiled on: 30.9.2024	Signature of the statutory body: Natalia Zolotarova