

New Ukraine PE Holding Limited

Condensed consolidated interim financial statements
for the six months ended 30 June 2024

NEW UKRAINE PE HOLDING LIMITED

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OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	Olha Turyk
Secretary	Michalis P. Michael Consulting Limited (resigned on 01 August 2024) RAMTAK SECRETARIAL LTD (appointed on 01 August 2024)
Independent Auditors	Deloitte Limited Certified Public Accountants and Registered Auditors 24 Spyrou Kyprianou Avenue 1075 Nicosia Cyprus
Registered Office	16 June 1943 9 Area A, Flat/Office 202 3022 Limassol Cyprus

CONSOLIDATED MANAGEMENT REPORT

The Board of Directors of New Ukraine PE Holding Limited (the “Company”) presents to the members its management report together with the condensed consolidated interim financial statements of the Company and its subsidiaries (together with the Company, the “Group”) for the six months ended 30 June 2024.

PRINCIPAL ACTIVITY AND NATURE OF OPERATIONS OF THE GROUP

The principal activity of the Group, which is unchanged from last year, is the investing in the real estate sector in Ukraine. As at 30 June 2024 the portfolio includes 5 commercial real estate assets which are located in Kyiv region and include: Logistic complexes “EastGate Logistics” and “WestGate Logistics”, Shopping mall “Piramida”, Office centers “Eurasia” and “Prime”. NUPEH CZ s.r.o. is owned by New Ukraine PE Holding Limited located in Czech Republic and provides financing activities for the Group. In August 2024 “WestGate Logistics” 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.

FINANCIAL RESULTS

The Group’s financial results for the six months ended 30 June 2024 are set out on page 5 to the condensed consolidated financial statements. The net loss for the 6 months ended 30 June 2024 attributable to the owners of the Group amounted to USD 2,197 thousand (6m2023: profit of USD 1,912 thousand).

EXAMINATION OF THE DEVELOPMENT, POSITION AND PERFORMANCE OF THE ACTIVITIES OF THE GROUP

The current financial position as presented in the condensed consolidated financial statements is considered satisfactory. However, the Board of Directors is making an effort to improve the Group’s performance.

DIVIDENDS

During the six months ended 30 June 2024 no dividends were declared and paid by the Company.

MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Group and the steps taken to manage these risks, are described in Note 18 to the condensed consolidated financial statements.

USE OF FINANCIAL INSTRUMENTS BY THE GROUP

The Group is exposed to market price risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk from the financial instruments it holds.

The Group’s financial risk management objectives and policies are stated in Note 18.

FUTURE DEVELOPMENTS

The Board of Directors does not expect major changes in the principal activities of the Group in the foreseeable future.

SHARE CAPITAL

There were no changes in the share capital of the Company during the six months ended 30 June 2024.

BRANCHES

During the six months ended 30 June 2024 the Company did not operate any branches.

BOARD OF DIRECTORS

The member of the Company's Board of Directors as at 30 June 2024 and at the date of this report is presented on page 1. The sole Director was member of the Board throughout the six months ended 30 June 2024.

In accordance with the Company's Articles of Association the sole Director presently member of the Board continues in office.

There were no significant changes in the assignment of responsibilities and remuneration of the member of the Board of Directors.

EVENTS AFTER THE REPORTING PERIOD

Any significant events that occurred after the end of the reporting period are described in Note 21 to the condensed consolidated financial statements.

RELATED PARTY TRANSACTIONS

Disclosed in Note 20 to the condensed consolidated financial statements.

By order of the Board of Directors,

Olha Turyk
Director



Nicosia, 30 September 2024

NEW UKRAINE PE HOLDING LIMITED

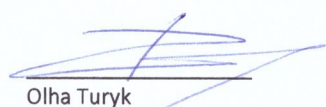
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - unaudited

AS AT 30 JUNE 2024

(in thousands of USD)

	Note	30 June 2024	31 December 2023
Assets			
Non-current assets			
Investment properties	5	108,689	116,000
Accrued lease receivable		686	682
Property and equipment and intangible assets		14	13
Total non-current assets		109,389	116,695
Current assets			
Cash and cash equivalents	6	4,052	4,879
Trade and other receivables		728	830
Refundable tax (tax receivable)		233	255
Prepayments		335	377
Inventories		30	25
Other current assets		619	442
Total current assets		5,997	6,808
Total assets		115,386	123,503
Equity and Liabilities			
Equity			
Share capital	9	69	69
Share premium		64,449	64,449
Accumulated losses		(21,771)	(19,574)
Currency translation reserve		(11,926)	(9,649)
Total equity		30,821	35,295
Non-current liabilities			
Loans and borrowings	10	33,301	29,871
Issued bonds	7	23,883	29,544
Deferred tax liability		13,284	14,161
Tenants' security deposits	11	1,232	796
Total non-current liabilities		71,700	74,372
Current liabilities			
Payables from derivatives	8	1,364	441
Loans and borrowings	10	7,558	9,232
Issued bonds	7	1,019	1,011
Trade and other payables		611	891
Tenants' security deposits	11	632	930
Prepayments received		1,019	753
Income tax payable		432	368
Other taxes payable		230	210
Total current liabilities		12,865	13,836
Total liabilities		84,565	88,208
Total equity and liabilities		115,386	123,503

On 30 September 2024 the sole Director of New Ukraine PE Holding Limited approved and authorised these condensed consolidated financial statements for issue.


Olha Turyk

The notes on pages 8 to 47 are an integral part of these condensed consolidated financial statements.

NEW UKRAINE PE HOLDING LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

	Note	6m2024	6m2023
Revenue	12	9,690	8,141
Cost of sales	13	(2,015)	(1,763)
Gross profit		7,675	6,378
General and administrative expenses		(653)	(536)
Sales and distribution expenses		(89)	(40)
Fair value gain/(loss) on investment properties	5	(681)	(197)
Other (expenses)/income, net	16	(885)	(589)
Total operating profit/(loss)		5,367	5,016
Fair value change on derivatives		(924)	2,573
Interest income – derivatives		440	1,447
Interest expenses – derivatives		(532)	(1,636)
Finance expenses	14	(7,434)	(5,218)
Finance income	15	2,016	917
Profit/(loss) before income tax for the year		(1,067)	3,099
Income tax (expense)/benefit	17	(1,130)	(1,187)
Net profit/(loss) for the year		(2,197)	1,912
Other comprehensive (loss)/income			
<i>Items that can be reclassified to profit or loss:</i>			
Foreign operations – foreign currency translation difference		(2,277)	(77)
Other comprehensive (loss)/income		(2,277)	(77)
Total comprehensive income/(loss) for the year		(4,474)	1,835

The notes on pages 8 to 47 are an integral part of these condensed consolidated financial statements.

NEW UKRAINE PE HOLDING LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

	Share capital	Share premium	Retained earnings/(Accumulated losses)	Currency translation reserve	Total equity
Balances at 1 January 2024	69	64,449	(19,574)	(9,649)	35,295
Net loss for the period	-	-	(2,197)	-	(2,197)
Other comprehensive loss	-	-	-	(2,277)	(2,277)
Total comprehensive loss for the year	-	-	(2,197)	(2,277)	(4,474)
Balances at 30 June 2024	69	64,449	(21,771)	(11,926)	30,821

	Share capital	Share premium	Retained earnings/(Accumulated losses)	Currency translation reserve	Total equity
Balances at 1 January 2023	69	64,449	(22,922)	(8,272)	33,324
Net profit for the period	-	-	1,912	-	1,912
Other comprehensive loss	-	-	-	(77)	(77)
Total comprehensive loss for the year	-	-	1,912	(77)	1,835
Balances at 30 June 2023	69	64,449	(21,010)	(8,349)	(35,159)

The notes on pages 8 to 47 are an integral part of these condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

	Note	6m2024	6m2023
Cash flows from operating activities			
Net profit/(loss) for the year		(2,197)	1,912
<i>Adjustments for:</i>			
Fair value (gain)/loss on investment properties	5	681	197
Finance costs	14	7,434	5,218
Fair value change on derivatives		924	(2,573)
Depreciation		2	17
Financial income	15	(2,016)	(917)
VAT receivable write off		1	-
One-off impact to profit or loss - early redemption of bonds	7	104	106
Loss on government bonds sold, net	16	729	-
Income tax expense/(benefit)	17	1,130	1,187
Operating cash flows before changes in working capital		6,792	5,147
Change in trade and other payables		(280)	238
Change in trade and other accounts receivable		24	376
Change in accrued lease receivables		(4)	-
Change in prepayments		42	331
Change in tax payable and tax receivable		42	(5)
Change in inventories		(5)	(1)
Change in other current assets		(177)	163
Change in tenants' deposits		276	175
Change in prepayments received		266	295
Cash generated from operating activities		6,976	6,711
Interest received		293	138
Income tax paid		(1,046)	(910)
Cash flows from operating activities		6,223	5,939
Cash flows used in investing activities			
Acquisition of government securities		(5,301)	-
Sale of government securities		4,572	-
Capital improvements of investment properties	5	(666)	(197)
Acquisition of property, plant and equipment		(3)	(12)
Cash flows used in investing activities		(1,398)	(209)
Cash flows from financing activities			
Coupon on bonds paid	7	(864)	(1,447)
Redemption of bonds	7	(4,472)	(10,298)
Cash flows used in financing activities		(5,336)	(11,745)
Net change in cash and cash equivalents		(511)	(6,015)
Cash and cash equivalents at the beginning of the year		4,879	14,181
Effect of foreign exchange fluctuation on cash balances		(316)	(30)
Cash and cash equivalents at 31 December		4,052	8,136

The notes on pages 8 to 47 are an integral part of these condensed consolidated financial statements.

NEW UKRAINE PE HOLDING LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

1. INCORPORATION, ORGANISATION AND OPERATIONS

New Ukraine PE Holding Limited (the “Company” or the “Parent”) was incorporated in Cyprus on 26 July 2016. The Company’s registered office is at 16 Iouniou 1943, 9 Area A, Flat/Office 202, 3022 Limassol, Cyprus and its principal place of business is Ukraine.

As at 30 June 2024 and 31 December 2023 the shareholders of New Ukraine PE Holding Limited (Cyprus) were Dragon Capital Investments Limited (Cyprus) with 21.96% ownership (controlled by Tomas Fiala), Dragon Capital New Ukraine Fund (Jersey) with 35.85% ownership, Larington Holdings Limited with 39.64% ownership and Langrose Investments Limited with 2.55%. The beneficial owners of Larington Holdings Limited and Langrose Investments Limited are Anton Schreider and Maksym Klimov.

Dragon Capital New Ukraine Fund (Jersey) is a Jersey limited partnership formed under the partnership agreement and as at 30 June 2024 and 31 December 2023 has the following partnership structure: Ukrainian Redevelopment Fund LP – 42.86%, Dragon Capital Investments Limited (Cyprus) – 41.43%, Northern Point Holdings Limited (which is held by trust entity acting in the interest of Suhail Salim Abdullah Al Mukhaini Bahwan) – 14.28% and DC Partners (Jersey) Limited (which is owned as at 30 June 2024 and 31 December 2023 by Tomas Fiala at 77.2%) – 1.43%. According to the Law of Partnerships of Jersey, Dragon Capital New Ukraine Fund is not a legal entity and operates through its general partner – DC Partners, and limited partners do not have corporate rights in the Fund and are not its controllers. Therefore, as at 30 June 2024 and 31 December 2023 the sole ultimate beneficial owner of Dragon Capital New Ukraine Fund (Jersey) by control is Tomas Fiala.

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 Parent’s issued share capital.

The main activity of the Company is investment in real estate sector in Ukraine.

These condensed consolidated financial statements include the financial statements of Parent and its Subsidiaries (hereinafter the “Group”). The structure of the Group and the principal activities of the companies forming the Group are as follows:

Name of the Group	Principal Activities	Country of registration	Project	Effective ownership interest	
				30 June 2024	31 December 2023
New Ukraine PE Holding Limited	Holding	Cyprus			
NUPEH CZ s. r. o.	Financing	Czech Republic	-	100.00%	100.00%
Atlantic-Pacific Ventures LLC	Real estate	Ukraine	Pyramida	100.00%	100.00%
East Gate Logistik LLC	Real estate	Ukraine	East Gate	100.00%	100.00%
West Gate Logistic LLC	Real estate	Ukraine	West Gate	100.00%	100.00%
Property Management Solutions One LLC	Real estate	Ukraine	PMS One	100.00%	100.00%
Property Management Solutions Two LLC	Real estate	Ukraine	PMS Two	100.00%	100.00%
Property Management Services LLC	Services	Ukraine	PMS	100.00%	100.00%

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

As at 30 June 2024, the Subsidiaries of the Group are represented by the following projects:

- Pyramida project: shopping center with the gross leasing area equal to 15,760 sq. m.;
- 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 center "Eurasia" with the gross leasing area of 27,924 sq. m.;
- Property Management Solutions Two ("PMS Two"): A-class business center "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 Subsidiaries of the Group are represented by the following projects:

- Pyramida project: shopping center with the gross leasing area equal to 15,900 sq. m.;
- East Gate Logistic project: A-class warehouse with the gross leasing area equal to 49,030 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 center "Eurasia" with the gross leasing area of 27,930 sq. m.;
- Property Management Solutions Two ("PMS Two"): A-class business center "Prime" with the gross leasing area of 8,847 sq. m. and associated land plot of 0,15 ha.

NUPEH CZ s. r. o. is incorporated under the legislation of the Czech Republic upon registration in the Commercial Register on 1 January 2019 under file number C 307124, held at the Municipal Court in Prague. The registered office is located at Antala Staška 1859/34, Krč, 140 00 Prague 4, Czech Republic.

The principal activity of NUPEH CZ s. r. o. is financing activities. The net proceeds of the bonds issue were used for the purpose of intra-group loan provided by it to the Parent.

2. OPERATING ENVIRONMENT OF THE GROUP AND GOING CONCERN

(a) Ukrainian business environment

The Group's operations are primarily located in Ukraine.

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 c. 40% Ukrainian-controlled. At the same time, Russia is widely

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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 of 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 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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

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 6 months ended 30 June 2024 on a going concern basis, is appropriate.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

(b) Going concern

The Group net loss for the 6 months ended 30 June 2024 amounted to USD 2,197 thousand, as of that date, the Group's current liabilities exceeded its current assets by USD 6,868 thousand. Although the Group is at net asset position at USD 30,821 thousand as at 30 June 2024.

These financial statements have been prepared on a going concern basis, which assumes the realization of the assets and the settlement of the liabilities in the normal course of business. However, on 24 February 2022, Russian forces began a military invasion of Ukraine resulting in a full-scale war across the Ukrainian state. These events and conditions in aggregate indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The known impacts of the war on the Group and management actions taken in response to the war during 6 months 2024 are mainly the followings:

During 6 months 2024 and through the date as of the report, all assets of the Group were not directly affected 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 impacted the performance of the Group'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 Group continues to monitor its spending closely and adjust its strategies as needed to ensure its financial sustainability. The subsidiaries have carefully reviewed its capital expenditures. The direct utilities were fully covered by tenants considering the vacancy.

In terms of the subsidiaries' servicing personnel, there have been no changes. The subsidiaries have not experienced any personnel shortages, and there are no issues with the availability of personnel across the portfolio companies.

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. However, these restrictions are expected to be relaxed going forward gradually. 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.

The Group has sufficient liquidity to finance its operations in the foreseeable future. For this purpose the Parent Company signed additional agreements with its creditor J&T Banka to:

- a) Postpone repayments of unpaid Junior debt principal due from 31 March 2022 till 30 September 2024 to 31 December 2025 (maturity date) in the amount of USD 14,347 thousand;
- b) Postpone payment of interest accrued and unpaid from 31 December 2021 until 23 February 2022

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

and from 1 March 2024 until 29 September 2024 in the amount of USD 2,485 thousand to 31 December 2024;

- c) Postpone payment of interest accrued from 24 February 2022 until 29 February 2024 in the amount of USD 6,561 thousand to 31 December 2025.

The aim of debt service postponement was to ensure the Parent Company's ability for repayment of portion of intragroup loan to NUPEH CZ and its subsequent payment to the bondholders. The liquidity position has not deteriorated during the period after the reporting date.

The war in Ukraine remains the main risk factor for the Group's performance in the current year. Considering that the Group's assets are all located within Kyiv region, every property undergoes a material risk of either damage, or complete destruction. At the same time, prolongation of military activities may result in disruption of the daily operating activities of the Group and its subsidiaries, or significant damage to their assets.

As a result, these events and conditions, including possible future development of military activities in Ukraine and their duration, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. These condensed consolidated financial statements have been prepared on a going concern basis and reflect management's current assessment of the impact of the Ukrainian business environment on the operations and the consolidated financial position of the Group.

3. BASIS OF PREPARATION

(a) Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) as adopted by the EU and the requirements of the Cyprus Companies Law, Cap.113.

(b) Going concern basis

The sole director has, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, the sole director continues to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements. More details are disclosed in note 2.

(c) Basis of measurement

These condensed consolidated financial statements are prepared under the historical cost basis, except for the following material items:

Items	Measurement
Investment properties	Fair value
Derivatives	Fair value

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(d) Adoption of new and revised IFRSs and Interpretations as adopted by the European Union (EU)

A number of new standards are effective for period of six months beginning after 1 January 2024. The following amended standards and interpretations are not expected to have a significant impact on the condensed consolidated financial statements:

Standards and Interpretations	Effective for annual accounting periods beginning on or after:
Amendments to IAS 1 "Presentation of Financial Statements" – Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to IAS 1 "Presentation of Financial Statements" – Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16 "Leases" – Lease Liability in a Sale and Leaseback	1 January 2024
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024
Amendments to IAS 21 "Lack of Exchangeability"	1 January 2025
IFRS 18 "Presentation and Disclosure in Financial Statements"	1 January 2027
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	

(e) Functional and presentation currency

These condensed consolidated financial statements are presented in thousands of US dollars (USD), which is the Parent company's functional currency as well as the functional currency of NUPEH CZ s. r. o., one of the Group's subsidiaries. The functional currency of the Ukrainian subsidiaries is the Ukrainian hryvnia ("UAH"). For the benefit of principal users, management chose to present these condensed consolidated financial statements in US Dollars ("USD"). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The Group translates the financial statements of Ukrainian subsidiaries from their functional currency to USD in accordance with IAS 21 "The Effects of Changes in Foreign Exchange" Rates and the following rates are used:

- Historical rates: for the equity accounts except for net profit or loss and other comprehensive income for the year;
- Year-end rate: for all assets and liabilities;
- Rates at the dates of transactions: for the statement of profit or loss and other comprehensive income. For fair value change in the investment property the Group applies the exchange rates at the date of the fair value measurement, including the interim fair value measurements performed.

UAH is not a freely convertible currency outside Ukraine, and, accordingly, any conversion of UAH amounts into USD should not be construed as a representation that UAH amounts have been, could be, or will be in the future, convertible into USD at the exchange rate shown, or any other exchange rate.

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The principal UAH exchange rates used in the preparation of these condensed consolidated financial statements are as follows:

	As at 30 June 2024	Average exchange rate for 6m2024	As at 31 December 2023	As at 30 June 2023	Average exchange rate for 6m2023
USD	40.54	39.01	37.98	36.57	36.57

(f) Use of judgments, estimates and assumptions

The preparation of condensed consolidated 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 and the disclosure of contingent assets and liabilities. Actual results may differ from these 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.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in these condensed consolidated financial statements and could lead to significant adjustment in the next financial year are included in the following notes:

- Note 5(b) – determination of fair value of investment property. In particular, the assessment as to the timing of completion of military actions and revival of the normal economic activity in Ukraine.

Measurement of fair values. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management is responsible for overseeing all significant fair value measurements, including Level 3 fair values. They review and approve significant unobservable inputs and valuation adjustments before they are included in the Group's financial statements. To assist with the estimation of fair values management, when appropriate, engage registered independent appraiser, having a recognised professional qualification and recent experience in the location and categories of the assets being valued.

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

- *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

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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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated financial statements.

(a) Basis of consolidation

The condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of

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a subsidiary acquired or disposed of during the year are included in the condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) Foreign currency

Transactions in foreign currencies are translated into US dollars at exchange rates at the dates of the transactions. The rates are obtained from the Central Banks. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into US dollar at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net gain/(loss) from investments at fair value through profit or loss or net gain/(loss) from loans receivable.

(c) Financial instruments

(i) Recognition, initial measurement and derecognition

Trade receivables are initially recognised when they are originated.

All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. 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 fair value through profit or loss (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 Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

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

(ii) Classification and subsequent measurement of financial assets

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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 to eliminate or significantly reduce an accounting mismatch:

- 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.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

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.

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The Group's financial assets comprise trade and other receivables, cash and cash equivalents and short-term deposits 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 Group 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 Group'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 Group'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 Group 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 Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Leverage features;

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- Prepayment and extension terms;
- Terms that limit the Group'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 Group measures all of its financial liabilities (including bonds), except for derivatives, at amortized cost.

(iv) Derivative financial instruments

The Group holds derivative financial instruments to manage 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.

(v) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group 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 Group currently 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 Group and all counterparties.

(vi) Impairment

The Group uses "expected credit loss" (ECL) model. This impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of trade and other receivables and cash and cash equivalents.

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Loss allowances are measured on either of the following bases:

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

The Group has elected to measure loss allowances for trade receivables and receivables on internal settlements 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 Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group 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 Group 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 Group expects to receive).

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

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

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a debt or advance by the Group on terms that the Group 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.

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In making an assessment of whether cash and cash equivalents are credit-impaired, the Group 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 “other operating expenses” and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

(vii) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(d) Investment properties

Investment properties are held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

Investment properties principally comprise investment properties held for rental income earning.

(i) Initial measurement and recognition

Investment property is measured initially at cost, including related acquisition costs. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

If the Group uses part of the property for its own use, and part to earn rentals or for capital appreciation, and the portions can be sold or leased out separately, they are accounted for separately. Therefore, the part that is rented out is investment property. If the portions cannot be sold or leased out separately, the property is investment property only if the Group-occupied portion is insignificant.

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(ii) *Subsequent measurement*

Subsequent to initial recognition investment property is stated at fair value. Any gain or loss arising from a change in fair value is included in profit or loss in the period in which it arises.

When the Group begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured at fair value, and is not reclassified to property, plant and equipment during the redevelopment.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment property is derecognised on disposal or when they are permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss in profit or loss.

To determine the fair value of investment property as at 31 December 2023 management engaged an independent appraiser.

(e) **Share capital**

Ordinary shares. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Share premium. Share premium reserves include amounts that were created due to the issue of share capital at a value price greater than the nominal.

Retained earnings/Accumulated losses. Retained earnings include accumulated profits and losses incurred by the Group.

Currency translation reserve. Currency translation reserve comprises foreign currency differences arising from the translation of these financial statements.

Dividend distribution. Dividend distribution to the Company's shareholders is recognised in the Group's condensed consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

(f) **Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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(g) Revenue

Revenue of the Group is mainly represented by rental income recognised in accordance with IFRS 16 “Leases”. Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

For revenue recognition from provision of utilities and other services the Group has adopted IFRS 15 “Revenue from Contracts with Customers”.

The details of the material accounting policies in relation to the Group’s services are set out below.

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Type of service	Nature, timing of satisfaction of performance obligations, significant payment terms	Policy applicable
Provision of utilities and other services	Provision of utilities and other services represent payments by tenants for utilities and maintenance of common parts in centre (e.g. cleaning, insurance, repairs, parking). Revenue is recognised over time as those services are provided. As the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group’s services provided to date, the Company uses practical expedient available in IFRS 15 and recognises revenue in the amount to which the Company has a right to invoice. Invoices for revenue from provision of utilities and other services are issued on a monthly basis and are usually payable within the month. Under IFRS 16, for a contract that contains a lease component and one or more additional lease or non-lease components, the consideration in the contract is allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The stand-alone selling price is determined based on contractually stated price that is defined separately for each obligation and reflects market prices for the similar services.	Revenue is recognised in profit or loss over time in the period when the services are provided, recovery of consideration is probable and when the amount of revenue can be measured reliably.

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Compensation for utilities and other services relates to the transactions in which the subsidiaries of the Group act as a principal rather than as an agent. Management considered the following factors in distinguishing between an agent and a principal:

- The Subsidiary has responsibility for fulfilling the service to the customer;
- The Subsidiary can vary the selling prices set by the supplier by their own consideration.

(h) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group leases out its investment property. The Group has classified these leases as operating leases.

Payments received under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Stepped rent increases fixed in the agreements are included in the lease payments recognised on a straight-line basis over the lease term.

Variable lease payments under operating leases, including increases or decreases to lease payments as a result of changes in an index or a rate after the commencement date, should not be estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Instead, they should be recognised in profit or loss in the period in which they are earned.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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The Group applies judgment in evaluating whether it is reasonably certain that the option to renew or terminate the lease term will be exercised. That is, it considers all relevant factors that create an economic incentive for it and lessees to exercise the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances.

(i) Finance income and costs

Finance income comprises interest income on financial assets, calculated using the effective interest rate, and currency exchange gains. Finance costs comprise interest expense and currency exchange losses.

Effective interest rate. 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 the effective interest rate, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, 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 is made on a net basis again.

Interest received or receivable, and interest paid or payable, are recognised in profit or loss as finance income and finance costs, respectively, except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net gain/ (loss) from investments at fair value through profit or loss or net loss from loans receivable.

(j) Income tax expense

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

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

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

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

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- Taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

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 Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

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.

(k) Reclassifications to the financial statements

Certain corrections and reclassifications have been made to the financial statements as at 30 June 2023 and for the six months ended 30 June 2023 in order to achieve comparability with the presentation used in the financial statements for the six months ended 30 June 2024.

NEW UKRAINE PE HOLDING LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

5. INVESTMENT PROPERTIES

(a) Movements in investment properties

Movements in investment properties for the reporting period are as follows:

	Total
<i>(in thousands of USD)</i>	
At 1 January 2023	115,900
Capital improvements	587
Fair value loss on investment properties	3,822
Effect from translation into presentation currency	(4,309)
At 31 December 2023	116,000
Capital improvements	666
Fair value loss on investment properties	(681)
Effect from translation into presentation currency	(7,296)
At 30 June 2024	108,689

Investment properties. As at 30 June 2024 and 31 December 2023 investment properties were represented by a shopping mall at Pyramida project, by two logistic warehouses at East Gate and West Gate projects and by two business centers at PMS One and PMS Two projects (see Note 1).

As at 30 June 2024 and 31 December 2023, the Group's investment properties are pledged to secure bank loan of New Ukraine PE Holding Limited and bonds issued by NUPEH CZ s.r.o.

(b) Determination of fair value

The fair value of the investment properties was assessed as at 31 December 2023 by independent appraiser CBRE LLC, having a recognised professional qualification and recent experience in the location and categories of the projects being valued. As at 31 December 2023, the estimation of fair value for the investment properties is made using the discounted cash flow method.

The valuation is prepared in accordance with practice standards contained in the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors (RICS) or in accordance with International Valuation Standards published by the International Valuations Standards Council.

The fair value measurement, developed for determination of fair value of the properties, is categorised within Level 3 of the fair value hierarchy, due to the significance of unobservable inputs to the measurement. In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

The change in fair value of investment properties is due to effect from translation into presentation currency.

NEW UKRAINE PE HOLDING LIMITED

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The fair value of investment properties was as follows:

	30 June 2024	31 December 2023
<i>(in thousands of USD)</i>		
Pyramida Project	49,285	52,600
PMS One Project	25,392	27,100
PMS Two Project	11,337	12,100
Est Gate Project	17,522	18,700
West Gate Project	5,153	5,500
Total	108,689	116,000

(c) Usage of the land plot

As at 30 June 2024 and 31 December 2023, Pyramida has a lease agreement for rent of the part of the land plot on which its shopping center Pyramida is located. The land plot under lease agreement is in ownership of Kyiv city administration. The lease agreement of the Group for rent of land plot matures on 29 May 2025.

East Gate has a lease agreement for rent of the part of the land plot on which its property is located. The lease agreement of the Group for rent of land plot matures on 14 April 2030.

PMS One does not have a lease agreement for rent of the land plot on which its business center "Eurasia" is located as at 30 June 2024 and 31 December 2023. The respective land plot is in ownership of the Kyiv City Council. The Group uses the land on so called "de facto" principle and pays land tax on a regular basis based on the Kyiv City Council regulations. The amount of such payments made during the 6 months ended 30 June 2024 was USD 25 thousand (6 months 2023: USD 56 thousand).

The Group's management believes that any potential tax or legal risks with regards to this matter are not significant. However, the interpretations of the relevant authorities could differ and the effect on these financial statements, if the authorities were successful in enforcing their interpretations, could be significant. No provisions for potential risks with regards to unformalised usage of the land plot have been made in these condensed consolidated financial statements.

The land plots for PMS Two and West Gate are in ownership of the Group.

6. CASH AND CASH EQUIVALENTS

The following table represents an analysis of cash and cash equivalents based on the companies of the Group as at 30 June 2024 and as at 31 December:

	30 June 2024	31 December 2023
<i>(in thousands of USD)</i>		
New Ukraine PE Holding Limited	2,836	2,792
LLC "Atlantic Pacific Ventures"	684	1,233
LLC "East Gate Logistik"	79	290
LLC "Property Management Solutions One"	261	270
LLC "Property Management Solutions Two"	56	148
NUPEH CZ s. r. o.	44	82
LLC "West Gate Logistik"	92	61
LLC "Property Management Servises"	-	3
Total	4,052	4,879

NEW UKRAINE PE HOLDING LIMITED

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As at 30 June 2024 and 31 December 2023, cash and cash equivalents consisted of cash in bank.

7. BONDS ISSUED

As at 31 December, the schedule of bonds issued were as follows:

<i>(in thousands of USD)</i>	31 December 2023	31 December 2023
Issued bonds at amortized cost	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.

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

<i>(in thousands of USD)</i>	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:

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

NEW UKRAINE PE HOLDING LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

Reconciliation of bonds' movements:

(in thousands of USD)

Balance at 1 January 2023	45,910
<i>Cash movements</i>	
Interest payment	(2,492)
Early redemption of Bonds	(16,354)
<i>Non-cash movements</i>	
Interest accrued on bonds	2,637
One-off impact to profit or loss - early redemption of bonds	216
Effect from foreign exchange rates	638
Balance at 31 December 2023	30,555
<i>Cash movements</i>	
Interest payment	(864)
Early redemption of Bonds	(4,472)
<i>Non-cash movements</i>	
Interest accrued on bonds	928
One-off impact to profit or loss - early redemption of bonds	104
Effect from foreign exchange rates	(1,349)
Balance at 30 June 2024	24,902

The above-mentioned issuance of bonds comprised of a tranche of 30 October 2020 with total nominal value of CZK 700 million (USD 30,048 thousand) and a tranche of 30 June 2021 with a total nominal value of CZK 350 million (USD 16,325 thousand). They are listed on the public market (Stock exchange in Prague (Czech Republic)).

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

New Ukraine PE Holding Limited (Shareholder) guaranteed the Bonds in the form of a financial guarantee under Czech law. The Group may redeem Bonds at any time at any price on the market or otherwise. If there is no early repayment, the Group will repay the principal of the Bond in a lump sum on 30 October 2025.

Transactions costs in the amount of CZK 33,176 thousand (USD 1,450 thousand) were associated with the issue of the Bonds. These costs are recognized in the consolidated income statement during the Bonds life based on the effective interest rate.

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

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

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extraordinary interest income in the amount of 1% of the total amount of the early repaid nominal amount of bonds.

The Group 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.

(in thousands of USD)	30 June 2024		31 December 2023	
	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

Bonds issued at amortised cost are categorised in Level 1 of the fair value hierarchy. The fair value for Level 1 was calculated based on quoted bond price as at 30 June 2024 and 31 December 2023.

8. PAYABLES FROM DERIVATIVES

(in thousands of USD)	30 June 2024	31 December 2023
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 intragroup loan in USD.

The Group 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 29 October 2025. NUPEH CZ s.r.o. has the early termination option as of 30th October 2024.

The Group 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 Group 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 29 October 2025. NUPEH CZ s.r.o. has the early termination option as of 30th October 2024.

The Group 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

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liability in the amount of USD 368 thousand.

The Group set up a swap on 30 October 2020 in the amount of CZK 700,000 thousand with a Czech crown interest rate of 5.9% against the amount of USD 30,461 thousand with a dollar interest rate of 7.25% with maturity of 29 October 2025. The cross-currency swap was early terminated on 25 October 2023.

The Group 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.

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

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

The Group does not report a derivative as a hedging instrument; all movements in fair value are recognized in the consolidated profit or loss.

The Group's derivatives are categorised in Level 3 of the fair value hierarchy. The fair value of interest swaps is calculated as the difference in present value of future cash flows resulting from long and short position in the underlying instruments. Forex forwards are priced using market forward rates for respective residual maturity. The profit or loss resulting from this valuation is then discounted into the present value as of the valuation date.

9. SHARE CAPITAL

Authorized, issued and fully paid share capital of the Company consists of USD 68,911 and represented by 63,198 ordinary registered shares (the "Ordinary Shares") with a nominal value of USD 1.0904 each.

10. LOANS AND BORROWINGS

This note provides information about the contractual terms of loans. For more information about the Group exposure to interest rate risk and foreign currency risk, refer to the Note 18.

As at 30 June 2024, the terms and debt repayment schedule of bank loans were as follows:

<i>(in thousands of USD)</i>	Currency	Nominal interest rate	Effective interest rate	Maturity	Carrying value
<i>Long-term loans</i>	USD	6% + SOFR	8.94%	31 Dec 2025	33,301
J&T BANKA (Facility A)					
<i>Current portion of long-term loans</i>					
J&T BANKA (Facility A)					7,558

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As at 31 December 2023, the terms and debt repayment schedule of bank loans were as follows:

<i>(in thousands of USD)</i>	Currency	Nominal interest rate	Effective interest rate	Maturity	Carrying value
<i>Long-term loans</i> J&T BANKA (Facility A)	USD	6% + SOFR	10.16%	31 Dec 2025	29,871
<i>Current portion of long-term loans</i> J&T BANKA (Facility A)					9,232

(a) J&T BANKA Loan

On 19 October 2020 the Group signed new Loan facilities agreement with the J&T BANKA that provided two facilities: Facility A (up to USD 40,000 thousand) and Facility B (up to CZK 1,575,000 thousand).

The Group utilized the whole amount of the loan Facility A on 22 October 2020. In accordance with the terms of the loan agreement, the Group is obliged to settle the loan in quarterly instalments defined by repayment schedule till 31 December 2025.

Funds under Facility B may only be used for repayment of NUPEH CZ bond liabilities. As at 30 June 2024 the Group has not utilized the amount available under this facility.

These loan facilities are referred to as Junior Debt under Loan facilities agreement between New Ukraine PE Holding Limited, NUPEH CZ s.r.o. and J&T BANKA a.s. dated 19 October 2020.

As described in Note 2, in 2024 the Group signed additional agreements with its creditor J&T Banka to:

- Postpone repayments of unpaid Junior debt principal due from 31 March 2022 till 30 June 2024 to 31 December 2025 (maturity date) in the amount of USD 12,947 thousand.
- Postpone payment of interest accrued and unpaid from 31 December 2021 until 23 February 2022 and from 01 March 2024 until 29 June 2024 in the amount of USD 1,547 thousand to 30 September 2024.
- Postpone payment of interest accrued from 24 February 2022 until 29 February 2024 in the amount of USD 6,561 thousand to 31 December 2025. The aim of debt service postponement was to ensure the Parent Company's ability for repayment of portion of intragroup loan to NUPEH CZ and its subsequent payment to the bondholders.

The Group's loans and borrowings at amortised cost are categorised in Level 2 of the fair value hierarchy. Such fair value was estimated by discounting the expected future cash flows under the market interest rate for similar financial instruments that prevails as at the reporting date. Management believes that for loans and borrowings, the carrying value is estimated to approximate the fair value as at 30 June 2024 and 31 December 2023.

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Collateral

As at 30 June 2024, the following pledge and guarantee agreements were concluded to secure the loan agreements of the Group (J&T BANKA as pledgee) and bonds issued by NUPEH CZ s. r. o. (whereas under ICA NUPEH CZ s.r.o. has the right and priority of payment as Senior Noteholder):

Directly with regards to assets of the Group:

- Cypriot law Share Pledge Agreement in respect of approximately 57.81% shares in the Borrower between the Lender as pledgee and Dragon Capital Investments Limited and Dragon Capital New Ukraine Fund as pledgors.
- Cypriot law Share Pledge Agreement in respect of approximately 39.63% shares in the Borrower between the Lender as pledgee and Larington Holdings Ltd., as pledgor.
- Cypriot law Share Pledge Agreement in respect of approximately 2.56% shares in the Borrower between the Lender as pledgee and Langrose Investments Ltd, SLP, as pledgor.
- Czech law Share Pledge Agreement in respect of 100% shares in NUPEH CZ s. r. o.
- Czech law Bank Account Pledge Agreement in respect of the Borrower's bank account with the Lender.
- Czech law Bank Account Pledge Agreement in respect of the NUPEH CZ s. r. o. bank account with the Lender.
- Cypriot law bank account pledge agreement in respect of the Borrower's bank accounts with Eurobank Cyprus Ltd.
- Czech law Intragroup Receivables Pledge Agreement in respect of 100% receivables due from the Borrower to NUPEH CZ s. r. o.
- Ukrainian law share pledge agreements in respect of 100 % shares in Ukrainian subsidiaries.
- Ukrainian law Mortgage Agreements were concluded with Ukrainian subsidiaries as mortgagor in respect of the following property:
 - Shopping and entertainment center "Pyramida" (Atlantic Pacific Ventures LLC);
 - Office premises in business center "Eurasia" (Property Management Solutions One);
 - Office premises in business center "Prime" (Property Management Solutions Two);
 - Two warehouse and logistics complexes owned by East Gate Logistic LLC and West Gate Logistic LLC.
- Ukrainian law Intragroup Receivables Pledge Agreement were signed in respect of 100% receivables due to the Group from Ukrainian subsidiaries.
- Ukrainian law Bank Account Pledge Agreement in respect of bank accounts owned by Ukrainian subsidiaries.

Similar type pledge and guarantee agreements were concluded to secure the loan agreements of the Group as at 31 December 2023.

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(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

(in thousands of USD)

	<u>J&T BANKA Loan</u>
Balance at 1 January 2023	35,496
<i>Non-cash movements</i>	
Finance costs	3,607
Balance at 31 December 2023	39,103
<i>Non-cash movements</i>	
Finance costs	1,756
Balance at 30 June 2024	40,859

11. TENANTS' SECURITY DEPOSITS

Tenants' security deposits as at 31 December were as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
(in thousands of USD)		
Short term tenants' security deposits	632	930
Long term tenants' security deposits	1,232	796
	<u>1,864</u>	<u>1,726</u>

Tenants' security deposits are held by the Group on an interest-free basis and can be used to cover any expenses and losses incurred by the Group due to the improper performance by the customer of its obligations under the lease agreement, including but not limited to, failure to pay the lease payment, maintenance fees or other charges provided for in the agreement. Part of tenant's security deposits can be used as a payment for the last month of the rent and by nature are considered to be as a prepayment for rent services.

The Group classifies its tenants' security deposits as long-term and short-term in accordance with the contractual maturity of its non-cancellable lease commitments. The non-cancellable period of the lease agreements of the Group is up to 7 years. The tenants' security deposits that cannot be used as a payment for the last month of the rent are stated at amortised cost and discounted under effective market interest rates. The difference between the initial fair value and the nominal value of the tenants' security deposits is presented as deferred income and amortised over the lease period to fixed rental income.

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12. REVENUE

Revenue for the 6 months ended 30 June was as follows:

(in thousands of USD)

	6m2024	6m2023
Rental income:		
Fixed lease income	6,995	5,895
Variable lease income	238	185
Total rental income	7,233	6,080
Revenue from contracts with customers:		
Provision of utilities and other services	2,155	1,780
Other revenue	302	281
Total revenue from contracts with customers	2,457	2,061
	9,690	8,141

13. COST OF SALES

Cost of sales for the 6 months ended 30 June was as follows:

(in thousands of USD)

	6m2024	6m2023
Utilities	762	629
Salary and salary related charges	480	407
Security	182	173
Cleaning	121	88
Land lease	87	89
Current repairs	81	73
Maintenance	75	77
Insurance	73	36
Property tax	49	89
Land tax	37	37
Depreciation	9	20
Other	59	45
	2,015	1,763

14. FINANCE EXPENSES

Financial expenses for the 6 months ended 30 June were presented as follows:

(in thousands of USD)

	6m2024	6m2023
Foreign exchange loss	4,615	1,877
Interest expense on loans	1,756	1,851
Interest expenses on bonds	930	1,461
Loss on unwinding of discount of tenants'	132	20
Other	1	9
	7,434	5,218

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Foreign exchange loss for the 6 months 2024 was mainly generated at the level of Ukrainian subsidiaries on intergroup loans that are denominated in USD and the functional currency of the Ukrainian subsidiaries is UAH and at the level of Czech subsidiary as bonds were issued in CZK and the functional currency of the Czech subsidiary is US Dollar.

15. FINANCE INCOME

Finance income for the 6 months ended 30 June was presented as follows:

<i>(in thousands of USD)</i>	6m2024	6m2023
Foreign exchange gain	1,596	474
Interest income from deposits	150	315
Income on discounting of tenant's deposits	270	125
Other income	-	3
	2,016	917

Foreign exchange gain for the 6 months 2024 was mainly generated at the level of NUPEH CZ.

16. OTHER (EXPENSES)/INCOME, NET

Other expenses and income for the 6 months ended 30 June were presented as follows:

<i>(in thousands of USD)</i>	6m2024	6m2023
Loss on government bonds sold, net	(729)	-
Other (expenses)/income, net	(156)	(589)
	(885)	(589)

17. INCOME TAX EXPENSES

(a) Income tax expense

Income tax expenses for the 6 months ended 30 June were as follows:

<i>(in thousands of USD)</i>	6m2024	6m2023
Current tax expense	836	768
Deferred tax expense/(benefit)	15	-
Income tax expense/(benefit) for Ukrainian subsidiaries	851	768
Overseas taxes	279	419
Income tax expense for the Cyprus Parent and NUPEH CZ	279	419
Total income tax expense/(benefit)	1,130	1,187

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The applicable tax rate for reporting period in Ukraine is fixed at 18%.

The corporation tax rate for Cyprus companies is 12.5%. Under certain conditions interest income in Cyprus may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

In the six months ended 30 June 2024, NUPEH CZ recognized a corporate income tax provision of USD 159 thousand and for the six months ended 30 June 2023, NUPEH CZ 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 NUPEH CZ has not identified any titles for deferred tax, as of 30 June 2023 NUPEH CZ has not recorded deferred tax on a precautionary basis.

18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT

(a) Risk management framework

The management has overall responsibility for the establishment and oversight of the risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk.

(c) Credit risk

As at 30 June 2024 and 31 December 2023 the expected credit losses were insignificant and were not accounted for. No financial assets were impaired at this date.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents and trade and other accounts receivable. The carrying amount of financial assets represents the maximum credit exposure.

NEW UKRAINE PE HOLDING LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2024 - unaudited (in thousands of USD)

The Group's financial assets, other than cash and cash equivalents, comprise of trade and other receivables as follows:

<i>(in thousands of USD)</i>	30 June 2024	31 December 2023
Ukrainian subsidiaries (current)	703	808
Ukrainian subsidiaries (non-current)	686	682
New Ukraine PE Holding Limited	25	22
Cyprus subsidiaries	-	-
NUPEH CZ s. r. o.	-	-
Total trade and other receivables	1,414	1,512

Trade and other receivables of the Ukrainian subsidiaries are represented by the following:

<i>(in thousands of USD)</i>	30 June 2024	31 December 2023
Trade and other receivables invoiced	197	326
Accrued lease receivable (non-current)	686	682
Accrued lease receivable (current)	506	482
Total trade and other receivables of Ukrainian subsidiaries	1,389	1,490

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis. No expected credit losses were recognised as at 30 June 2024 and 31 December 2023 due to the short-term nature to cash and cash equivalents and trade and other accounts receivable.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as 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 Group's reputation.

The following were the contractual maturities of financial liabilities as at 30 June 2024. The amounts are gross and undiscounted, and include estimated interest payments:

<i>(in thousands of USD)</i>	Carrying amount	Total	Within one year	2-5 years
Loans and borrowings from J&T BANKA	40,859	45,659	10,897	34,762
Bonds issued by NUPEH CZ	24,902	28,934	1,615	27,319
Tenants' security deposits	1,864	2,462	819	1,643
Trade and other payables	611	611	611	-
	68,236	77,666	13,942	63,724

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The following were the contractual maturities of financial liabilities as at 31 December 2023.
The amounts are gross and undiscounted, and include estimated interest payments:

<i>(in thousands of USD)</i>	<u>Carrying amount</u>	<u>Total</u>	<u>Within one year</u>	<u>2-5 years</u>
Loans and borrowings from J&T BANKA	39,103	45,184	12,612	32,572
Bonds issued by NUPEH CZ	30,555	35,037	2,143	32,894
Tenants' security deposits	1,726	2,238	1,167	1,071
Trade and other payables	891	891	891	-
	<u>72,275</u>	<u>83,350</u>	<u>16,813</u>	<u>66,537</u>

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency risk

Foreign currency risk is the risk that the financial result of the Group will be adversely impacted by changes in exchange rates to which the Group is exposed. Ukrainian subsidiaries of the Group have significant loans balances denominated in USD as at 30 June 2024 and 31 December 2023 and are exposed to foreign currency risk in the event of significant devaluation of Ukrainian Hryvnia. The Company manages this risk in the process of sales pricing by linking rent charges to changes in USD and EUR exchange rates.

Transactions related to the issued bond were captured by the Group by concluding cross currency swaps and forex swap 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 hedge of currency and interest rate risk related to a new bond issue in
Purpose	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
Currency pair	J&TB vice versa 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

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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 hedge of currency and interest rate risk related to a new bond issue in
Purpose	CZK
Market	OTC NUPEH borrows USD and pays USD fix coupon @6.45% pa 30E/360 s/a, and lends CZK and receives CZK fix coupon @5.90% pa 30E/360 s/a
Side	J&TB vice versa
Currency pair	USD/CZK
Tenor	4.39 years
Exchange rate	21.230 (spot market rate)
Notional	150,000,000 CZK
Initial notional exchange	
volume, currency	150,000,000 CZK
Side	NUPEH buys USD vs CZK, J&TB vice versa
Value date	June 30th 2021
Final notional Exchange	
Volume, currency	150,000,000 CZK
Side	NUPEH sells USD vs CZK, J&TB vice versa
Value date	End of last interest period
Interest payments	
Interest rate Period	Semi annually
Rates: CZK (NUPEH receives)	CZK fix 5.90% pa 30/360
Rates: USD (NUPEH pays)	USD fix 6.45% pa 30/360
Day count	30E/360

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

Party A	J&T BANK (“J&TB”)
Party B	NUPEH CZ s.r.o. (“NUPEH”)
Instrument	USD/CZK Foreign exchange swap
Purpose	hedge of currency risk related to an early redemption of bonds in CZK
Market	OTC
Side	Nupez sells CZK and buys USD and buys USD and sells USD
Currency pair	USD/CZK
Tenor	0, 5 years
Exchange rate	23,085 (spot market rate)
Notional	337,756,635 CZK

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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
Currency pair	J&TB vice versa
Tenor	USD/CZK
Exchange rate	0, 5 years
Notional	23,668 (spot market rate)
Initial notional exchange	9,500,000 USD
volume, currency	
Side	9,500,000 USD
Value date	NUPEH sells CZK vs USD, J&TB vice versa
Final notional Exchange	April 29th 2024
Volume, currency	
Side	9,500,000 USD
Value date	NUPEH buys CZK vs USD, J&TB vice versa
	October 29th 2024

(ii) Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of obtaining new financing management uses its judgment to decide whether a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

Refer to Notes 7 and 10 for information about maturity dates and interest rate of the bonds issued and loans and borrowings.

The Group does not account for any fixed-rate financial instruments at fair value through profit or loss. At the same time, the Group has variable interest rate loans and borrowings. However, management of the Group believes that the change of interest rate of which would not have a material effect on profit or loss.

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(iii) Fair values

Estimated fair values of the financial assets and liabilities have been determined using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to produce the estimated fair values. Accordingly, the estimates are not necessarily indicative of the amounts that could be realised in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair values.

The estimated fair values of financial assets and liabilities are determined using discounted cash flow and other appropriate valuation methodologies, at year-end, and are not indicative of the fair value of those instruments at the date these financial statements are prepared or distributed. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Subsidiaries entire holdings of a particular financial instrument. Fair value estimates are based on judgments regarding future expected cash flows, current economic conditions, risk characteristics of various financial instruments and other factors.

Fair value estimates are based on existing financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities not considered financial instruments. In addition, tax ramifications related to the realisation of the unrealised gains and losses can have an effect on fair value estimates and have not been considered.

Management believes that for all the financial assets and liabilities, the carrying value is estimated to approximate the fair value as at 30 June 2024 and 31 December 2023. Such fair value was estimated by discounting the expected future cash flows under the market interest rate for similar financial instruments that prevails as at the reporting date, except for bonds issued as disclosed in Note 7.

(j) Capital management

Management defines capital as total equity attributable to equity holders of the parent. The Group has no formal policy for capital management, but management seeks to maintain a sufficient capital base for meeting the Group's operational and strategic needs, and to maintain confidence of market participants. With these measures the Group aims for steady profits growth. There were no changes in the Group's approach to capital management during the 6 months 2024.

19. COMMITMENTS AND CONTINGENCIES

(a) Lease commitments

The Group as a lessor. The Group entered into lease agreements on its investment properties. These lease agreements usually have contractual terms mainly from 1 to 7 years. Some of these agreements are cancellable but tenants are unlikely to terminate earlier due to substantial leasehold improvements, other agreements are non-cancellable. The Group has determined that it is not reasonably certain for the tenants to extend the lease beyond its contractual term due to the absence of economic incentives. Annual rents are fixed with insignificant step-up adjustments in some agreements.

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The maturity analysis of lease payments, showing the contractual undiscounted lease payments to be received on an annual basis is as follows:

(in thousands of USD)	30 June 2024	31 December 2023
Up to one year	11,890	11,052
Between one and two years	8,732	7,091
Between two and three years	4,713	4,259
Between three and four years	1,245	1,891
Between four and five years	650	840
More than five years	907	1,196
	28,137	26,329

The Group as a lessee. The Group's lease payments under land lease agreement with local municipal authorities for land plots, on which the Group's investment properties are located for the six months ended as at 30 June 2024 amounted to USD 82 thousand (6m2023: USD 56 thousand). The payments can be revised by the lessor once a year based on changes in conditions of use of the land plot, amount of land tax, increase in prices and tariffs and other cases, stipulated by the Ukrainian legislation.

(b) Litigations

In the ordinary course of business, the Group is subject to legal actions and complaints. Management is unaware of any significant actual, pending or the threatened claims against the Group.

(c) Taxation contingencies

The Group is subject to tax charges within Cyprus jurisdiction. Additionally, the Group's investees perform most of their operations in Ukraine and are therefore within the jurisdiction of the Ukrainian tax authorities. The Ukrainian tax system can be characterized by numerous taxes and frequently changing legislation, which may be applied retrospectively, be open to wide interpretation and in some cases conflict with other legislative requirements. Instances of inconsistent opinions between local, regional, and national tax authorities and the Ukrainian Ministry of Finance are not unusual. Tax declarations are subject to review and investigation by a number of authorities that are empowered by law to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however under certain circumstances a tax year may remain open longer. In particular, as of today this period can be extended for the period for which statute of limitation is suspended in Ukraine in accordance with changes in the legislation in connection with COVID-19 pandemic and martial law in Ukraine.

These facts create tax risks substantially more significant than typically found in countries with more developed systems.

Management believes that the Group has adequately assessed tax liabilities based on its interpretation of tax legislation, official pronouncements and court decisions for the purpose of assessment of the Group's assets fair value. However, the interpretations of the relevant authorities could differ and the effect on the condensed consolidated financial statements, if the authorities were successful in

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enforcing their interpretations, could be significant. Management believes that no provision is required in the Group's condensed consolidated financial statements as at 30 June 2024, as well as at 31 December 2023.

20. RELATED PARTY TRANSACTIONS

(a) Control relationship

The Group's control relationships are described in Note 1.

(b) Transactions with management personnel

Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Group.

During the 6 months ended 30 June 2024 remuneration of key management personnel amounted to USD 163 thousand (30 June 2023: USD 114 thousand).

For the 6 months ended 30 June 2024 Ukrainian subsidiaries paid management fee to the Manager of the Fund, amounting to USD 247 thousand on behalf of the Group for the management services provided by the Manager.

For the 6 months ended 30 June 2023 no management fee was paid to the Manager of the Group for the services provided neither by the Group nor by the shareholders of the Group. The payment for the 6 months ended 30 June 2023 was settled in 2H2023.

(c) Transactions and balances with related parties

Outstanding balances with related parties are as follows as at 30 June 2024:

<i>(in thousands of USD)</i>	Total	Entities with joint control
Cash and cash equivalents	1,150	1,150

Outstanding balances with related parties are as follows as at 31 December 2023:

<i>(in thousands of USD)</i>	Total	Entities with joint control
Cash and cash equivalents	1,956	1,956

The Group had the following transaction with related parties for the 6 months ended 30 June 2024 is as follows:

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<i>(in thousands of USD)</i>	<u>Total</u>	<u>Shareholders</u>	<u>Entities with joint control</u>
Interest income	49	-	49
Other (expenses)/income, net	729	729	-
Total	778	729	49

Other (expenses)/income, net consist of income from sale of government securities.

The Group had the following transaction with related parties for the 6 months ended 30 June 2023 is as follows:

<i>(in thousands of USD)</i>	<u>Total</u>	<u>Entities with joint control</u>
Interest income	289	289

21. EVENTS AFTER THE REPORTING PERIOD

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

In August 2024 LLC West Gate Logistic 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.

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