

NEW UKRAINE PE HOLDING LIMITED

Report and Consolidated Financial Statements

For the year ended 31 December 2024

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For the year ended 31 December 2024

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NEW UKRAINE PE HOLDING LIMITED
OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	Olha Turyk
Secretary	Ramtak Secretarial Limited (appointed on 1 August 2024) Michalis P. Michael Consulting Limited (resigned on 1 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
Registration number:	HE 358309

NEW UKRAINE PE HOLDING LIMITED **CONSOLIDATED MANAGEMENT REPORT**

The Board of Directors of New Ukraine PE Holding Limited (the "Company") presents to the members its annual report together with the audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2024.

INCORPORATION

The Company was incorporated in Cyprus on 26 July 2016. The Company's registered office is at 16 June 1943 9 Area A, Flat/Office 202, 3022 Limassol, Cyprus and its principal place of business is Ukraine.

PRINCIPAL ACTIVITIES 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. 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". In August 2024 LLC "West Gate Logistic" has sold Warehouse Complex including 14.42-hectare land plot, office and warehouse premises. NUPEH CZ s.r.o. is owned by New Ukraine PE Holding Limited, located in Czech Republic and provides financing activities for the Group.

FINANCIAL RESULTS

The Group's financial results for the year ended 31 December 2024 are set out on page 10 to the consolidated financial statements. The total comprehensive income for the year attributable to the owners of the Company amounted to US\$ 21 583 thousand (2023: US\$ 1 970 thousand).

As of 31 December 2024, the Group financial position remains stable, with total assets amounting to US\$ 130 045 thousand and total liabilities of US\$ 73 167. The total assets increased by US\$ 6 542 thousand and liabilities reduced by US\$ 15 041 thousand. The change in the net assets position, an increase of US\$ 21 583 thousand, is attributed to the total comprehensive income for the year. The equity position in the amount of US\$ 56 878 thousand remains strong, supported by improving performance of the Group's principal investments.

The overall financial performance of the Group's real estate portfolio improved in 2024, despite the challenges posed by wartime conditions. Market recovery, particularly in the retail and warehouse sectors, led to a significant reduction in vacancy rates and an increase in rental incomes across several assets. The Group's subsidiaries also focused on deleveraging and maintaining financial stability by negotiating favorable loan and bond terms.

The Group's real estate portfolio consists of:

- A shopping center with a GLA of 15 900 sq.m.;
- Two business centers with GLAs of 27 924 sq.m. and 8 996 sq.m. (including a land plot of 0,15 ha), located in Kyiv; In 2025, the GLA is expected to increase by 4,518 square meters upon completion of Piramida business center reconstruction.
- A-class warehouses with a GLA of 49 030 sq.m. in the Kyiv region;
- Warehouse complex, which was sold in August 2024, which included 14,42-hectare land plot, office and warehouse premises with a total area of 7 884 square meters, and a destroyed building of 89 500 square meters.

FINANCIAL RESULTS (CONTINUED)

Key Highlights of the year:

- Further recovery in retail, with a 12% increase in net operating income (NOI), supported by near-zero vacancy rates and rising rental rates;
- The warehouse sector showed steady demand;
- The office sector showed 36% increase in NOI;
- The Group remains focused on deleveraging, executing early redemption of bonds, and maintaining financial stability.

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

The current financial position, as presented in the consolidated financial statements, is considered satisfactory given the challenging circumstances, including the ongoing war. The Group believes that most of the war-related losses have been fully recognized. Provided that operating conditions do not deteriorate further, the Group anticipates a further improvement in its financial position. Close monitoring by the Board of Directors to ensure further sustainable growth and development is required.

DIVIDENDS

The Board of Directors does not recommend the payment of dividend for the year.

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 consolidated financial statements.

FUTURE DEVELOPMENTS

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

SHARE CAPITAL

Authorised and issued capital

There were no changes in the Company's share capital during the year.

BRANCHES

During the year ended 31 December 2024 the Group did not operate any branches.

BOARD OF DIRECTORS

The member of the Company's Board of Directors as at 31 December 2024 and at the date of this report is presented on page 1, which includes those appointed and resigned during the year.

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 reporting period are described in note 21 to the consolidated financial statements.

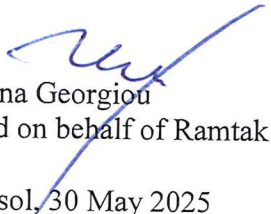
RELATED PARTY TRANSACTIONS

Disclosed in note 20 to the consolidated financial statements.

INDEPENDENT AUDITORS

The independent auditors, Deloitte Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,



Katerina Georgiou
for and on behalf of Ramtak Secretarial Limited, as secretary

Limassol, 30 May 2025

Independent Auditor's Report

To the Members of New Ukraine PE Holding Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of New Ukraine PE Holding Limited (the "Company"), and its subsidiaries (the "Group"), which are presented in pages 9 to 70 and comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent Auditor's Report (continued)

To the Members of New Ukraine PE Holding Limited

Material Uncertainty Related to Going Concern

We draw attention to note 2 of the consolidated financial statements which indicates that as of 31 December 2024 the Group's current liabilities exceeded its current assets by USD 48 811 thousand and also indicates the impact of the ongoing military actions in Ukraine on the operations of the Group and its financial performance. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Sole Director is responsible for the other information. The other information comprises the information included in the Consolidated Management Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Sole Director for the Consolidated Financial Statements

The Sole Director is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Sole Director determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Sole Director is responsible for overseeing the Group's financial reporting process.



Independent Auditor's Report (continued)

To the Members of New Ukraine PE Holding Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Independent Auditor's Report (continued)

To the Members of New Ukraine PE Holding Limited

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Consolidated Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated Management Report. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Yiannis Sophianos
Certified Public Accountant and Registered Auditor
for and on behalf of
Deloitte Limited
Certified Public Accountants and Registered Auditors
Nicosia, 30 May 2025

NEW UKRAINE PE HOLDING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
		USD'000	USD'000
Assets	Note		
Non-current assets			
Investment properties	5	123 400	116 000
Accrued lease receivable		699	682
Property and equipment and intangible assets		12	13
Total non-current assets		124 111	116 695
Current assets			
Cash and cash equivalents	6	4 354	4 879
Trade and other receivables		716	830
Prepayments		220	377
Refundable tax (tax receivable)		35	255
Inventories		22	25
Other current assets		587	442
Total current assets		5 934	6 808
Total assets		130 045	123 503
Equity			
Equity and reserves			
Share capital	9	69	69
Share premium	9	64 449	64 449
Retained earnings/(accumulated losses)		5 568	(19 574)
Currency translation reserve		(13 208)	(9 649)
Total equity		56 878	35 295
Liabilities			
Non-current liabilities			
Loans and borrowings	10	-	29 871
Issued bonds	7	-	29 544
Deferred tax liability	17	17 066	14 161
Tenants' security deposits	11	1 356	796
Total non-current liabilities		18 422	74 372
Current liabilities			
Loans and borrowings	10	42 637	9 232
Payables from derivatives	8	1 599	441
Issued bonds	7	7 695	1 011
Trade and other payables		676	891
Tenants' security deposits	11	603	930
Prepayments received		863	753
Income tax payable		377	368
Other taxes payable		295	210
Total current liabilities		54 745	13 836
Total liabilities		73 167	88 208
Total equity and liabilities		130 045	123 503

On 30 May 2025 the sole Director of New Ukraine PE Holding Limited approved and authorised these consolidated financial statements for issue.

Olha Turyk

The notes on pages 14 to 70 form an integral part of these consolidated financial statements.

NEW UKRAINE PE HOLDING LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

		2024	2023
	Note	USD'000	USD'000
Revenue	12	19 920	17 439
Cost of sales	13	(4 226)	(3 522)
Gross profit		15 694	13 917
General and administrative expenses		(1 521)	(1 717)
Sales and distribution expenses		(176)	(102)
Fair value gain on investment properties	5	22 549	3 822
Net gain from disposal of investment properties	5	9 947	-
Other expenses, net	16	(3 255)	(2 261)
Operating profit		43 238	13 659
Fair value (loss)/gain on derivatives	8	(1 159)	1 497
Interest income – derivatives	8	878	2 770
Interest expenses – derivatives	8	(1 063)	(3 272)
Finance expenses	14	(12 190)	(10 496)
Finance income	15	2 568	2 577
Profit before tax		32 272	6 735
Income tax expense	17	(7 130)	(3 388)
Profit for the year		25 142	3 347
Other comprehensive loss			
<i>Items that can be reclassified to profit or loss:</i>			
Foreign operations – foreign currency translation difference		(3 559)	(1 377)
Other comprehensive loss for the year		(3 559)	(1 377)
Total comprehensive income for the year		21 583	1 970

The notes on pages 14 to 70 form an integral part of these consolidated financial statements.

NEW UKRAINE PE HOLDING LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Share capital	Share premium	Retained earnings/(Accumulated loss)	Currency translation reserve	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 January 2023	69	64 449	(22 921)	(8 272)	33 325
Comprehensive income					
Profit for the year	-	-	3 347	-	3 347
Other comprehensive loss					
Foreign currency translation difference	-	-	-	(1 377)	(1 377)
Balance at 31 December 2023	69	64 449	(19 574)	(9 649)	35 295
Balance at 1 January 2024	69	64 449	(19 574)	(9 649)	35 295
Comprehensive income					
Profit for the year	-	-	25 142	-	25 142
Other comprehensive loss					
Foreign currency translation difference	-	-	-	(3 559)	(3 559)
Balance at 31 December 2024	69	64 449	5 568	(13 208)	56 878

The notes on pages 14 to 70 form an integral part of these consolidated financial statements.

NEW UKRAINE PE HOLDING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Note	<u>2024</u> <u>USD'000</u>	<u>2023</u> <u>USD'000</u>
Cash flows from operating activities			
Profit for the year		25 142	3 347
<i>Adjustments for:</i>			
Depreciation and amortisation		8	11
Fair value change on derivatives	8	1 159	(1 497)
VAT receivable write off		-	233
One-off impact to profit or loss - early redemption of bonds	7	238	216
Fair value gain on investment properties	5	(22 549)	(3 822)
Loss on government bonds sold, net	16	2 707	1 577
Finance costs	14	12 190	10 496
Financial income	15	(2 568)	(2 577)
Net gain from disposal of investment properties	5	(9 947)	-
Tax expense	17	7 130	3 388
Cash generated from operations before working capital changes		13 510	11 372
(Increase) / decrease in trade and other receivables		(269)	508
Decrease in accrued lease receivables		15	38
Decrease in prepayments		158	186
Decrease / (increase) in inventories		3	(7)
Increase in other current assets		(145)	(274)
(Decrease) / increase in trade and other payables		(217)	384
Increase / (decrease) in tax payable and tax receivable		133	(135)
Increase in tenants' deposits		336	333
Increase in prepayments received		110	426
Cash generated from operations		13 634	12 831
Interest received		788	735
Income tax paid		(2 674)	(2 217)
Net cash generated from operating activities		11 748	11 349
Cash flows from investing activities			
Payment for acquisition of property, plant and equipment		(4)	-
Acquisition of intangible assets		(6)	-
Payment for acquisition of government securities	16	(20 151)	(15 404)
Proceeds from sale of government securities	16	17 444	13 827
Proceeds from disposal of investment properties	5	15 012	-
Capital improvements of investment properties	5	(997)	(587)
Net cash generated from/ (used in) investing activities		11 298	(2 164)

The notes on pages 14 to 70 form an integral part of these consolidated financial statements.

NEW UKRAINE PE HOLDING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

		2024	2023
	Note	USD'000	USD'000
Cash flows from financing activities			
Redemption of bonds	7	(21 324)	(16 354)
Coupon on bonds paid	7	(1 594)	(2 492)
Net cash used in financing activities		(22 918)	(18 846)
Effect of exchange rate fluctuations on cash held		(653)	359
Net decrease in cash and cash equivalents		(525)	(9 302)
Cash and cash equivalents at beginning of the year		4 879	14 181
Cash and cash equivalents at end of the year	6	4 354	4 879

The notes on pages 14 to 70 form an integral part of these consolidated financial statements.

NEW UKRAINE PE HOLDING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. INCORPORATION, GROUP 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 June 1943 9 Area A, Flat/Office 202, 3022 Limassol, Cyprus and its principal place of business is Ukraine.

As at 31 December 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 31 December 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 31 December 2024 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 31 December 2024 and 31 December 2023 the sole ultimate beneficial owner of Dragon Capital New Ukraine Fund (Jersey) by control is Tomas Fiala.

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

These 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:

Group	Principal Activity	Country of registration	Project	Effective ownership interest	
				31 December 2024	31 December 2023
New Ukraine PE Holding Limited	Holding	Cyprus	-		
NUPEH CZ s. r. o. (*)	Financing	Czech Republic	-	100%	100%
Atlantic-Pacific Ventures LLC	Real estate	Ukraine	Piramida	100%	100%
East Gate Logistik LLC (**)	Real estate	Ukraine	East Gate	100%	100%
West Gate Logistic LLC	Real estate	Ukraine	West Gate	100%	100%
Property Management Solutions One LLC	Real estate	Ukraine	PMS One	100%	100%
Property Management Solutions Two LLC	Real estate	Ukraine	PMS Two	100%	100%
Property Management Services LLC	Services	Ukraine	PMS	100%	100%

NEW UKRAINE PE HOLDING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. INCORPORATION, GROUP AND OPERATIONS (CONTINUED)

(*) 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 Staska 1859/34, Krc, 140 00 Praque 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.

(**) In March 2025, LLC “East Gate Logistik”, a subsidiary of NUPEH, established a new entity, LLC “East Gate Solar”, to acquire and install solar panels for the purpose of generating and distribution of solar energy that will be used by East Gate project.

As at 31 December the subsidiaries of the Group are represented by the following projects:

Project	Property	Gross leasing area , sq. m.	
		2024	2023
Piramida (***)	shopping center	15 900	15 900
East Gate	A-class warehouse	49 030	49 030
West Gate	A-class warehouse	-	7 313
PMS One	A-class business center “Eurasia”	27 924	27 930
PMS Two	A-class business center “Prime”	8 996	8 847
		101 850	109 020

(***) Piramida project to be expanded to 20 419 square meters upon completion of reconstruction.

The following projects have associated land plots in their ownership:

Project	Associated land plot ,ha.	
	2024	2023
West Gate	-	14,40
PMS Two	0,15	0,15
	0,15	14,55

2. OPERATING ENVIRONMENT OF THE GROUP AND GOING CONCERN

2.1 Ukrainian business environment

The Group’s operations are primarily located in Ukraine.

The Russian invasion of Ukraine, which started on Feb. 24, 2022, has entered its fourth year, continuing to negatively affect the domestic economy and business environment. Since late 2022, the war has been mostly dominated by attritional battles, with each side making only limited progress on the ground despite a high intensity of fighting. Following limited territorial changes from Ukraine’s 2023 counteroffensives and constrained by manpower and ammunition shortages, Ukrainian forces adopted a defensive posture as of late 2023; despite ongoing pressure, Russian advances remained limited, and by early 2025, the front line showed signs of stabilization amid indications of Russian force fatigue.

Immediately after taking office in January 2025, newly elected US President Donald Trump put forth negotiating a quick resolution to the war as one of his immediate foreign policy priorities. US brokered peace negotiations were expected to center on establishing a ceasefire at the prevailing battle lines and negotiating a comprehensive settlement including security guarantees for Ukraine (but not necessarily

NEW UKRAINE PE HOLDING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

2. OPERATING ENVIRONMENT OF THE GROUP AND GOING CONCERN (CONTINUED)

2.1 Ukrainian business environment (continued)

NATO membership). Popular attitudes in Ukraine towards talks with Russia became less hostile during 2024, but polls showed a majority of respondents remaining opposed to any major territorial concessions.

As of end January 2025, Russian forces were assessed to be in control of an estimated 113,000 km² or 19% of Ukraine, with the Russian occupied area increasing by only 3.5% in 2024 and remaining much smaller than at the peak of the invasion in March 2022 (est. 152,000 km² or 25% of Ukraine). The Russian occupied territory comprises parts of the Luhansk and Donetsk regions in the east as well as Zaporizhyya and Kherson regions and Crimea in the south. Approximately 40% of the area currently under Russian control was captured during the first phase of Russian military aggression against Ukraine in 2014-2015 (Crimea and parts of the two eastern regions).

The Ukrainian economy returned to growth in 2023 following a 28.8% slump in 2022 caused by the Russian invasion, as massive financial support from international financial institutions (IFI) and partner countries allowed the government to preserve macroeconomic stability. Real GDP expanded by 5.5% y o y in 2023 and 2.9% y o y in 2024, supported by businesses' adaptation to the war, partial recovery in consumer confidence, resumption of exports via Black Sea ports and growth in domestic military production. Russian attacks on the domestic energy infrastructure in the winter of 2022/23 and throughout the most of 2024 caused sizable energy shortages, which undermined the pace of economic recovery.

Headline inflation, which peaked at 26.6% year-on-year at end-2022, declined sharply to 3.2% by March 2024 due to a strong 2023 harvest, stable UAH:USD exchange rate, and lower logistics costs, but rebounded to 12.0% by end-2024 and 13.4% in February 2025 amid rising food prices and higher business input costs. Business cost inflation was driven by surging domestic energy prices, a consequence of the damage inflicted by Russian attacks, and strong salary growth resulting from large imbalances in the labor market.

Ukraine's budgetary performance deteriorated sharply as the war started, with the state budget deficit ballooning to UAH 1,775bn in 2023 and UAH 1,838bn in 2024 (net of UAH 433bn and UAH 474bn of foreign grants, respectively), up from UAH 193bn in 2021. The deficit expansion was fueled by military spending, while tax revenues slid to UAH 950bn in 2022 from UAH 1,107bn in 2021 due to an output collapse and temporary tax breaks introduced in the first months of the war with the aim of avoiding shortages of different goods. Tax receipts recovered to UAH 1,647bn in 2024 thanks to the introduction of a windfall bank tax, reinstatement of pre-war fuel taxes, and broader economic recovery supporting tax collection.

Huge financial support from IFIs and other foreign partners enabled the Ukrainian government to finance a much wider budget deficit and supported the country's external position. Ukraine received \$42bn of foreign budget support in 2024, in line with the amount disbursed in 2023 and up from \$31bn in 2022. The IMF was instrumental in soliciting necessary financial aid and ensuring its regular disbursement. The Fund's \$15.6bn four-year Extended Fund Facility (EFF) program for Ukraine, approved in March 2023, served as an anchor for support from other foreign partners.

Grants accounted for 33% of total foreign aid Ukraine received in 2022-24, with the remaining amount disbursed in the form of loans and consequently inflating Ukraine's public debt stock. The government restructured \$20bn of sovereign Eurobonds in August 2024 on terms consistent with the IMF's EFF program and debt sustainability analysis. The restructuring parameters included a 37% nominal haircut applied to the sum of the outstanding bond principal and deferred coupons accumulated during a two

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2. OPERATING ENVIRONMENT OF THE GROUP AND GOING CONCERN (CONTINUED)

2.1 Ukrainian business environment (continued)

year standstill since August 2022, a 4 year maturity extension, and lower coupon rates. The restructuring provided for a liquidity relief of \$11bn until the end of the IMF program in 1Q27 and reduced total public debt by \$5.2bn. Nevertheless, public debt rose to \$166bn by end 2024 from \$98bn as of end 2021.

The NBU started normalizing its exchange rate and monetary policies at the end of 2023, after keeping the exchange rate fixed since the start of the war, and reinstated a light version of inflation targeting in 1H24. These policy shifts were made possible thanks to F/X market stabilization and strong growth in NBU international reserves, to \$43.8bn by end-2024 and further to \$46.7bn in April 2025 from \$31bn at end 2021, as massive foreign financial support offset a large structural trade deficit created by the war.

In October 2023, the NBU returned to a managed float exchange rate regime, allowing the hryvnia to devalue to UAH 41:USD by mid 2024. The Bank has since slowed the pace of hryvnia devaluation in order to curb rising inflation, with the official exchange rate sinking to UAH 42:USD by end 2024 from UAH 38:USD as of end 2023. In a similar fashion, the NBU slashed its key rate while inflation was on steep downward trend, to 13.0% by mid 2024 from a high of 25% in July 2023, but stopped its rate cutting cycle and returned to monetary tightening in December 2024 February 2025, hiking the key rate by a cumulative 250bp to 15.5% in response to aggravating inflationary pressures.

The NBU also gradually relaxed its tight F/X controls in line with a strategy agreed with the IMF. In 2023, the central bank permitted domestic companies to service and redeem new external loans and relaxed restrictions on F/X cash and non cash purchases by private individuals. In May 2024, the NBU abolished all restrictions on imports of services, allowed repatriating dividends paid from 2024 net profits (within a monthly limit), and permitted companies to service their old external debts from onshore accounts as long as they were not in arrears. These measures were later followed by additional relaxations, enabling local Eurobond issuers to pay coupons from onshore accounts and compensate for coupons previously paid with offshore F/X liquidity by repatriating dividends paid out in previous years.

The Management of the Company does not expect worsening of market conditions in Ukraine due to the stabilizing economic recovery driven by international financial support, stabilization of the foreign exchange market, and the successful adaptation of domestic businesses to the ongoing war environment. Furthermore, despite the ongoing conflict and infrastructure damage, positive factors such as increased foreign aid, the resumption of seaborne exports, and robust agricultural production are expected to continue supporting the country's economic growth and fiscal stability.

2.2 Going concern

The Group's financial results for the year ended 31 December 2024 are set out on page 10 to the consolidated financial statements. The total comprehensive income for the year attributable to the owners of the Company amounted to US\$ 21 583 thousand (2023: US\$ 1 970 thousand).

As of 31 December 2024, the Group financial position remains stable, with total assets amounting to US\$ 130 045 thousand and total liabilities of US\$ 73 167 thousand. However, as at 31 December 2024 the Group is in a net current liability position of US\$ 48 811 thousand.. The total assets increased by US\$ 6 542 thousand and liabilities reduced by US\$ 15 041 thousand. The change in the net assets position, an increase of US\$ 21 583 thousand, is attributed to the total comprehensive income for the year. The equity position in the amount of US\$ 56 878 thousand remains strong, supported by improving performance of the Group's principal investments.

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2. OPERATING ENVIRONMENT OF THE GROUP AND GOING CONCERN (CONTINUED)

2.2 Going concern (continued)

The known impacts of the war on the Group and management actions taken in response to the war are mainly the following:

- During the year 2024 and up to the date of this report, all assets of the Group were not significantly 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 impact the performance of the Company's investments in Ukraine. The Ukrainian companies have been working with the tenants and suppliers to ensure a smoother impact of warfare on operations.
- Starting 2024 the management reduces the risks of property loss or damage due to military actions by securing war risk insurance for all properties except Eurasia and WGL, covering part of their value.
- During 2024 year, the commercial real estate market remained resilient. Most establishments adapted to power shortages by installing autonomous power generators during the previous period of blackouts in the winter of 2023, ensuring a stable power supply for their operations.
- During the 2024 year footfall in Kyiv shopping centers was ca. 10% below pre-war levels, in contrast to a drop of 70-80% in March 2022. As of year-end 2024, all international retailers except IKEA continued to operate on the market.
- Demand for warehouse space remained robust and mostly unchanged. The average vacancy rate was at the level 3.8% as at the end of 2024.
- In the office market, business sentiment remained generally stable, demonstrating a cautious approach to decision-making amid economic uncertainty and wartime security challenges.
- The subsidiaries have explored ways to optimize their operating expenses with direct utilities fully covered by tenants considering the vacancy. All properties were equipped with autonomous power generators, ensuring a reliable power supply to maintain operations, enhance safety in the event of power outages. In terms of the subsidiaries' service 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 the Company'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. Starting from May 2024, the

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2. OPERATING ENVIRONMENT OF THE GROUP AND GOING CONCERN (CONTINUED)

2.2 Going concern (continued)

subsidiaries began upstreaming dividends and interest on loans to the Company in foreign currency (USD).

- 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 7,884 square meters, and a destroyed building of 89,500 square meters (Note 5). The consideration was used by the Group for repayment of intragroup loan and next to the early redemption of bonds. 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.

Management believes that preparation of the consolidated financial statements on a going concern basis is appropriate due to the following factors and actions taken in response to these matters:

- The management has prepared financial forecasts, including cash flow projections, for the twelve months from the reporting date. Based on the management's financial forecasts 2025, the Group expects to generate sufficient revenue during 2025 to cover its operating expenses.
- During the period after the reporting date and before the authorization of these consolidated financial statements, the Group continues its operations and fulfills its obligations as they come due.
- The Group has sufficient liquidity to finance its operations in the foreseeable future. For this purpose the Parent signed additional agreements with its creditor J&T Banka to:
 - a) Postpone repayments of unpaid Junior debt principal due from 31 March 2022 till 31 December 2024 to 31 December 2025 (maturity date);
 - b) Postpone payment of interest accrued and unpaid from 31 December 2021 until 23 February 2022 and from 1 March 2024 until 30 December 2024 to 31 March 2025;
 - c) Postpone payment of interest accrued from 24 February 2022 until 29 February 2024 to 31 December 2025.
- In April 2025 the Parent received further consent of J&T Banka to:
 - a) Postpone repayments of unpaid Junior debt principal due from 31 March 2022 till 31 March 2025 to 31 December 2025 (maturity date);
 - b) Postpone payment of interest accrued and unpaid from 31 December 2021 until 23 February 2022 and from 1 March 2025 until 30 March 2025 to 30 June 2025;
 - c) Postpone payment of interest accrued from 24 February 2022 until 28 February 2025 to 31 December 2025 (maturity date).

The aim of debt service postponement was to ensure the Company's ability for repayment of portion of intragroup loan to NUPEH CZ and its subsequent payment to the bondholders.

- The Group obtained financial support letter from its shareholder Dragon Capital Investments Limited, that if the Group is unable to meet its liabilities as they fall due, to provide to the Group such financial and other support as may be required to enable it to continue in operational existence and, enable it to realise its assets and discharge its liabilities in the normal course of business for a

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2. OPERATING ENVIRONMENT OF THE GROUP AND GOING CONCERN (CONTINUED)

2.2 Going concern (continued)

period of at least 12 months from the date of issuance of the financial statements. If the Group is unable to meet its liabilities as they fall due, the shareholder Dragon Capital Investments Limited, undertake to assume such liabilities.

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 Company'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 Company 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 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

3.1 Statement of compliance

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

3.2 Going concern basis

The sole director has, at the time of approving the 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 consolidated financial statements. More details are disclosed in note 2.

3.3 Basis of measurement

These 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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3. BASIS OF PREPARATION (CONTINUED)

3.4 Adoption of new and revised IFRS Accounting Standards and Interpretations as adopted by the European Union (EU)

As from 1 January 2024, the Group adopted all new and revised IFRS Accounting Standards as adopted by the EU, which are relevant to its operations. This adoption did not have a material effect on the accounting policies of the Group.

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
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024
Amendments to IFRS 16 “Leases” – Lease Liability in a Sale and Leaseback	1 January 2024

A number of new standards are effective for annual periods beginning on or after 1 January 2025 but are not expected to have a significant impact on the Group's financial statements. The Group does not plan to early adopt these standards. Management is currently evaluating the impact of the adoption of these standards on the consolidated financial statements of the Group in future periods.

Standards and Interpretations	Effective for annual accounting periods beginning on or after
Amendments to IAS 21 “Lack of Exchangeability”	1 January 2025
Annual Improvements Volume 11	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Adoption of Amendments to IAS1

The Group applied Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1) for the first time in 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require disclosure for non-current loan liabilities that are subject to covenants within 12 months after the reporting date. This resulted in a change in the accounting policy for the classification of liabilities that can be settled in an entity's own shares (e.g. convertible loans). Previously the Group ignored all counterparty conversion options when classifying the related liabilities as current or non-current. Under the new policy, when a liability includes a counterparty conversion option whereby the liability may be settled by a transfer of an entity's own shares, the Group takes into account the conversion option in classifying the host liability as current or non-current unless the option is classified as equity under IAS 32.

Despite this adoption, the Group's liabilities were not impacted by the amendments, and there is no retrospective impact on the comparative consolidated statement of financial position.

3.5 Functional and presentation currency

Items included in the Company's and its subsidiaries financial statements are measured using the currency of the primary economic environment in which the Company and its subsidiaries operate ('the

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. BASIS OF PREPARATION (CONTINUED)

3.5 Functional and presentation currency (continued)

functional currency').

These consolidated financial statements are presented in thousands of US dollars ("USD"), which is the Parent'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 consolidated financial statements in 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.

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

	<u>As at 31 December</u>		<u>Average exchange rate</u>	
	2024	2023	2024	2023
USD	42.04	37.98	40.15	36.57

Foreign currency differences by translating transactions and balances from functional currency to presentation currency, are accumulated in the Currency translation reserve.

3.6 Use of judgments, estimates and assumptions

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively – that is, in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

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3. BASIS OF PREPARATION (CONTINUED)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Notes 4.4 and 5.2 – 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 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

The following material accounting policies have been applied consistently for all years presented in these consolidated financial statements.

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024 and 2023.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

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 a subsidiary acquired or disposed of during the year are included in the 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.

4.2 Foreign currency

Transactions in foreign currencies are translated to functional currency of the Company and its subsidiaries, at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at that date.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. MATERIAL ACCOUNTING POLICIES (continued)

4.2 Foreign currency (continued)

exchange rate at the date of the transaction.

Foreign currency differences arising on translation of transactions in foreign currencies into functional currency 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.

In preparation of these consolidated financial statements for the translation of the operations and balances of the Group denominated in foreign currencies, management applied the official exchange rates from the Central Banks. Management believes that application of these rates substantially serves comparability purposes.

4.3 Financial instruments

i Recognition and initial measurement

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.

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

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

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.

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

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

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;
- 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 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest, over the relevant period, using the effective interest rate.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

For financial liabilities, the effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

v Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency risk exposures.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Derivatives are recorded as assets when their fair value is positive and as liabilities when the fair value is negative.

vi Offsetting financial instruments

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.

vii 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.

Loss allowances are measured on either of the following bases:

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); 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;
- Credit rating has drop by 2 levels; or
- Credit rating has drop by 1 level but not investment grade anymore.

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 more than 90 days past due;
- The restructuring of a debt or advance by the Group on terms that the Group would not consider

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

otherwise;

- It is becoming probable that the counter party will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

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 separately in the statement of profit or loss and OCI.

viii Write-off

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 three 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.

ix Derecognition

The Group derecognises a financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) when:

- The contractual rights to receive cash flows from the asset have expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or
- The Group transfers the rights to receive the contractual cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when it is replaced by another from the same lender on substantially different terms, or when the terms of the liability are substantially 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

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

in profit or loss.

4.4 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, nor for use in production or supply of goods or services and nor 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.

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 2024 and 31 December 2023 management engaged an independent qualified appraiser with relevant experience.

4.5 Share capital and reserves

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

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4. MATERIAL ACCOUNTING POLICIES (continued)

4(e) Share capital and reserves (continued)

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 subsidiaries' financial statements with different functional currency than the Group.

Dividend distribution

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

4.6 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.

4.7 Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date. Considering the change in accounting policy (Note 3.4), the amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date.

A derivative is presented as a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months.

4.8 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; and
- Revenue from provision of utilities and 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.

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4. MATERIAL ACCOUNTING POLICIES (continued)

4(g) Revenue (continued)

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.

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.

4.9 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 assess whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. MATERIAL ACCOUNTING POLICIES (continued)

4(h) Leases (continued)

distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

i The Group as lessee

At commencement 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 its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

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4. MATERIAL ACCOUNTING POLICIES (continued)

4(h) Leases (continued)

- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

ii The Group as 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.

The Group applies judgment in evaluating whether it is reasonably certain that the option to renew or

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4. MATERIAL ACCOUNTING POLICIES (continued)

4(h) Leases (continued)

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.

4.10 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.

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.

4.11 Tax

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

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the 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

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4. MATERIAL ACCOUNTING POLICIES (continued)

4(j) Tax (continued)

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.

4.12 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. INVESTMENT PROPERTIES

As at 31 December 2024 and 31 December 2023 investment properties were represented by several assets (Note 1).

As at 31 December 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.

5.1 Movements in investment properties

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

	2024	2023
	USD'000	USD'000
At 1 January	116 000	115 900
Capital improvements	997	587
Disposal of investment property (*)	(5 065)	-
Fair value gain on investment properties	22 549	3 822
Effect from translation into presentation currency	(11 081)	(4 309)
At 31 December	123 400	116 000

(*) During the year, the Group has sold the West Gate project's investment property for a consideration of USD 15 175 thousand less selling expenses of USD 163 thousand, making a profit of USD 9 947 thousand.

The sale was concluded with a non-related purchaser whose primary objective was owner-occupation rather than income generation through lease rentals or capital gains, consideration reflects purchaser's intended use, its specific operational benefits and synergies.

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5. INVESTMENT PROPERTIES (continued)

5.2 Determination of fair value

To assist with the estimation of fair value of investment properties as at 31 December 2024 and 31 December 2023, management engaged independent appraiser EXPANDIA LLC, part of CBRE LLC Affiliate Network, having a recognised professional qualification and recent experience in the location and categories of the projects being valued.

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. No changes in valuation techniques in 2024 and 2023.

As at 31 December the fair value of investment properties was as follows:

	2024	2023
<u>Project</u>	<u>USD'000</u>	<u>USD'000</u>
Piramida	61 500	52 600
PMS One (Eurasia)	29 000	27 100
East Gate	20 300	18 700
PMS Two (Prime)	12 600	12 100
West Gate	-	5 500
	<u>123 400</u>	<u>116 000</u>

As at 31 December 2024 and 2023, the estimation of fair value for the investment properties is made using the discounted cash flow method under the income approach based on certain assumptions, the most important of which are as follows:

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5. INVESTMENT PROPERTIES (continued)

5.2 Determination of fair value (continued)

Piramida

Key assumptions	Significant unobservable inputs as at 31 December	
	2024	2023
Discount rate	20%	From 46% in 2024 to 14% in 2026
Capitalization rate	12.5%	12.5%
Rental rates Shopping Mall	2025: USD 38.6 to USD 38.9 per sq. m 2026-2027: USD 39.5 to USD 41.3 per sq. m.	2024: USD 36.8 to USD 38.6 per sq. m 2025-2026: USD 39.2 to USD 41 per sq. m.
Rental rates Business Center	2026-2027: USD 11.4-11.7 per sq. m	USD 8.1-8.7 per sq. m
Vacancy rate Shopping Mall	2025: 0.04%-0.06% 2026-2027: 0.06%	2024: 0.01% 2025-2026: 0%
Vacancy rate Business Center	2025: 100%-78.9% 2026-2027: 57.8%-25%	2026: 35%-25%
Reimbursement of operating expenses Shopping Mall	2025-2027: 100%-107%	2024-2026: 111%-112%
Reimbursement of direct expenses Shopping Mall	2025-2027: 70%-71%	2024-2026: 64%
Reimbursement of operating expenses Business Center	2H2025: 11% 2026-2027: 16%-26%	2026-2026: 65%-75%

PMS One (Eurasia)

Key assumptions	Significant unobservable inputs as at 31 December	
	2024	2023
Discount rate	20%	From 46% in 2024 to 14% in 2027
Capitalization rate	12%.	12%
Rental rates	2025: USD 9.3 to USD 9.5 per sq. m 2026-2028: USD 9.7 to USD 11.6 per sq. m.	2024: USD 10.9 to USD 10.8 per sq. m 2025-2027: USD 11.3 to USD 13.8 per sq. m.
Vacancy rate	2025: 19.7%-16.9% 2026-2028: 14.4%-2%	2024: 41.8%-37.5% 2025-2027: 30%-2%
Reimbursement of operating expenses	2025: 141%-154% 2026-2028: 157%-180%	2024: 89%-95% 2025-2027: 105%-142%

PMS Two (Prime)

Key assumptions	Significant unobservable inputs as at 31 December	
	2024	2023
Discount rate	18%	From 45% in 2024 to 13% in 2027
Capitalization rate	11.5%	11.5%
Rental rates	2025: USD 13.0 to USD 13.1 per sq. m 2026-2028: USD 13.5 to USD 16.2 per sq. m	2024: USD 13.4 to USD 12.4 per sq. m 2025-2027: USD 13.6 to USD 17.7 per sq. m.
Vacancy rate	2025: 2%-4.2% 2026-2028: 5%	2024: 0%-2.4%; 2025-2027: 7.1%
Reimbursement of operating expenses	2025: 112%-113% 2026-2028: 108%-111%	2024: 125% 2025-2027: 119%-112%

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5. INVESTMENT PROPERTIES (continued)

5.2 Determination of fair value (continued)

East Gate

Key assumptions	Significant unobservable inputs as at 31 December	
	2024	2023
Discount rate	18%	From 45% in 2024 to 13% in 2026
Capitalization rate	11.5%	11.5%
Rental rates	2025: USD 4.53 to USD 4.55 per sq. m 2026-2027: USD 4.58 to USD 4.78 per sq. m	2024: USD 4.65 to USD 4.66 per sq. m 2025-2026: USD 4.71 to USD 4.99 per sq. m
Vacancy rate	5.2%	5.2%
Reimbursement of operating expenses	2025: 105%-106% 2026-2027: 104%-106%	2024: 120% 2025-2026: 118%-120%

West Gate

Key assumptions	Significant unobservable inputs as at 31 December	
	2024	2023
Discount rate	-	From 45% in 2024 to 13% in 2026
Capitalization rate	-	11.75%
Rental rates	-	2024: USD 4.82 to USD 4.87 per sq. m 2025-2026: USD 4.86 to USD 5.13 per sq. m
Vacancy rate	-	0%
Reimbursement of operating expenses	-	2024-2026: 35%-36%

Monthly rental rates are based on budgeted rent-rolls for 2025 year and further projected at the level of 3% indexation for Piramida for the period 2025-2028, for warehouse - according to the projections of CPI index and 5-8% for the period 2025-2027, for business centers for the period 2025-2028 based on the Appraiser expert opinion.

Vacancy rates and reimbursement of operating expenses were projected based on budgeted rent-roll for 2025 and the Appraiser expert opinion for the next periods.

In the 2023 valuation, an adjusted approach to the discount rate calculation was applied, reflecting the elevated country risk stemming from ongoing military conflict. The assumption was that the rate would gradually decline over time, driven by an expected stabilization of both the security environment and macroeconomic conditions.

For the 2024 valuation, a single discount rate was applied consistently across the entire forecast period. Given that the market yields as of the valuation date had significantly aligned with pre-invasion levels, the valuer concluded that these yields now represent a new market norm for Ukrainian financial instruments. As a result, a classical valuation approach employing a constant discount rate was deemed appropriate.

Sensitivity of fair value measurement to changes in unobservable inputs – all real estate projects

The valuation model used to assess the fair value of investment properties as at 31 December 2024 and 31 December 2023 is particularly sensitive to key inputs in the following areas.

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5. INVESTMENT PROPERTIES (continued)

5.2 Determination of fair value (continued)

For Piramida project:

	Increase	Decrease
	USD'000	USD'000
31 December 2024		
Capitalisation rate (1 p.p. movement) (key unobservable input)	(3 200)	3 600
Monthly rental rates (10 p.p. movement)	5 600	(5 700)
Ratio of reimbursement of operating expenses (25 p.p. movement)	-	(2 700)
Vacancy rates (5 p.p. movement by the end of forecast period)	(2 300)	200
Discount rate (1 p.p. movement)	(1 400)	1 200

	Increase	Decrease
	USD'000	USD'000
31 December 2023		
Capitalisation rate (1 p.p. movement) (key unobservable input)	(2 800)	3 200
Monthly rental rates (10 p.p. movement)	5 000	(5 000)
Ratio of reimbursement of operating expenses (25 p.p. movement)	-	(2 500)
Vacancy rates (5 p.p. movement by the end of forecast period)	(2 000)	100
Discount rate (1 p.p. movement)	(1 000)	1 100

For PMS One (Eurasia) project:

	Increase	Decrease
	USD'000	USD'000
31 December 2024		
Capitalisation rate (1 p.p. movement) (key unobservable input)	(1 500)	1 800
Monthly rental rates (10 p.p. movement)	2 400	(2 400)
Ratio of reimbursement of operating expenses (25 p.p. movement)	2 700	(2 700)
Vacancy rates (5 p.p. movement by the end of forecast period)	(1 200)	500
Discount rate (1 p.p. movement)	(800)	800

	Increase	Decrease
	USD'000	USD'000
31 December 2023		
Capitalisation rate (1 p.p. movement) (key unobservable input)	(1 500)	1 800
Monthly rental rates (10 p.p. movement)	2 500	(2 500)
Ratio of reimbursement of operating expenses (25 p.p. movement)	1 900	(1 800)
Vacancy rates (5 p.p. movement by the end of forecast period)	(1 200)	1 200
Discount rate (1 p.p. movement)	(800)	800

For PMS Two (Prime) project:

	Increase	Decrease
	USD'000	USD'000
31 December 2024		
Capitalisation rate (1 p.p. movement) (key unobservable input)	(700)	800
Monthly rental rates (10 p.p. movement)	1 100	(1 200)
Ratio of reimbursement of operating expenses (25 p.p. movement)	900	(1 000)
Vacancy rates (5 p.p. movement by the end of forecast period)	(600)	500
Discount rate (1 p.p. movement)	(400)	300

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5. INVESTMENT PROPERTIES (continued)

5.2 Determination of fair value (continued)

31 December 2023

	<u>Increase</u>	<u>Decrease</u>
	<u>USD'000</u>	<u>USD'000</u>
Capitalisation rate (1 p.p. movement) (key unobservable input)	(600)	800
Monthly rental rates (10 p.p. movement)	1 100	(1 100)
Ratio of reimbursement of operating expenses (25 p.p. movement)	800	(700)
Vacancy rates (5 p.p. movement by the end of forecast period)	(500)	500
Discount rate (1 p.p. movement)	(300)	300

For West Gate project:

31 December 2024

	<u>Increase</u>	<u>Decrease</u>
	<u>USD'000</u>	<u>USD'000</u>
Capitalisation rate (1 p.p. movement) (key unobservable input)	(100)	200
Monthly rental rates (10 p.p. movement)	300	(200)
Ratio of reimbursement of operating expenses (25 p.p. movement)	200	(100)
Vacancy rates (5 p.p. movement by the end of forecast period)	(100)	-
Discount rate (1 p.p. movement)	-	100

For East Gate project:

31 December 2024

	<u>Increase</u>	<u>Decrease</u>
	<u>USD'000</u>	<u>USD'000</u>
Capitalisation rate (1 p.p. movement) (key unobservable input)	(1 200)	1 300
Monthly rental rates (10 p.p. movement)	2 000	(2 000)
Ratio of reimbursement of operating expenses (25 p.p. movement)	800	(800)
Vacancy rates (5 p.p. movement by the end of forecast period)	(900)	900
Discount rate (1 p.p. movement)	(500)	400

31 December 2023

	<u>Increase</u>	<u>Decrease</u>
	<u>USD'000</u>	<u>USD'000</u>
Capitalisation rate (1 p.p. movement) (key unobservable input)	(1 000)	1 300
Monthly rental rates (10 p.p. movement)	1 900	(1 800)
Ratio of reimbursement of operating expenses (25 p.p. movement)	700	(600)
Vacancy rates (5 p.p. movement by the end of forecast period)	(800)	800
Discount rate (1 p.p. movement)	(300)	400

5.3 Usage of the land plot

Piramida

As at 31 December 2024 and 31 December 2023, Piramida has a lease agreement for rent of the part of the land plot on which its shopping center Piramida 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. As of May 2025, the Company is engaged in negotiations to formalize a new agreement. The Company has the preemptive right to renew the lease agreement upon its expiration.

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5. INVESTMENT PROPERTIES (continued)

5.3 Usage of the land plot (continued)

PMS One (Eurasia)

PMS One does not have a lease agreement for rent of the land plot on which its business center “Eurasia” is located as at 31 December 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 year ended 31 December 2024 was USD 50 thousand (2023: USD 25 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 consolidated 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 consolidated financial statements.

PMS Two (Prime)

The land plot for PMS Two is in ownership of the Group (Note 1).

West Gate

The land plot for West Gate was in ownership of the Group (Note 1).

East Gate Logistic

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.

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 31 December:

	2024	2023
	USD'000	USD'000
NUPEH CZ s. r. o.	2 904	82
New Ukraine PE Holding Limited	545	2 792
LLC “Atlantic Pacific Ventures”	442	1 233
LLC “Property Management Solutions One”	294	270
LLC “West Gate Logistik”	100	61
LLC “East Gate Logistik”	41	290
LLC “Property Management Solutions Two”	27	148
LLC “Property Management Servises”	1	3
	4 354	4 879

As at 31 December 2024 and 2023 cash and cash equivalents consisted of cash in banks.

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6. CASH AND CASH EQUIVALENTS (continued)

As at 31 December, the amount of USD 894 thousand (2023: USD 1,956 thousand) relates to the placement in a Ukrainian Bank which is a related party to the Group (Note 20(iii)).

The exposure of the Group to credit risk, impairment losses and currency risk in relation to cash and cash equivalents is reported in Note 18.

7. BONDS ISSUED

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

	2024	2023
	USD'000	USD'000
Issued bonds at amortized cost	<u>7 695</u>	<u>30 555</u>
Out of that: short-term	7 695	1 011
Out of that: long-term	-	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 and the maturing principal.

Long-term instruments are presented by the principal payable.

Detailed information in respect of bonds issued as at 31 December 2024 is provided in the table below:

	Principal	Accrued interest	Maturity	Coupon rate	EIR
	USD'000	USD'000		(%)	
Issued bonds	4 458	675	30 October 2025	5.9%	6.76%
Issued bonds	1 337	127	30 October 2025	5.9%	7.00%
Issued bonds	1 003	95	30 October 2025	5.9%	7.00%
	<u>6 798</u>	<u>897</u>			

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

	Principal	Accrued interest	Maturity	Coupon rate	EIR
	USD'000	USD'000		(%)	
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%
	<u>29 544</u>	<u>1 011</u>			

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7. BONDS ISSUED (continued)

Reconciliation of bonds' movements:

	2024	2023
	USD'000	USD'000
At 1 January	30 555	45 910
<i>Cash movements</i>		
Interest payment	(1 594)	(2 492)
Early redemption of bonds	(21 324)	(16 354)
<i>Non-cash movements</i>		
Interest accrued on bonds (Note 14)	1 584	2 637
One-off impact to profit or loss - early redemption of bonds	238	216
Effect from foreign exchange rates	(1 764)	638
At 31 December	7 695	30 555

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 2024, has partially repaid the nominal value of issued bonds. The nominal value was decreased from the original value of 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 0,50 % 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 2024, has partially repaid the nominal value of issued bonds. The nominal value was decreased from the original value of CZK 5,550 to CZK 1,770 per bond. The Notice of the early redemption of the bonds was issued on 19 September 2024. The owners of bonds received extraordinary interest income in the amount of 0,50 % of the total amount of the early repaid nominal amount of bonds.

	31 December 2024		31 December 2023	
	Fair value	Carrying amount	Fair value	Carrying amount
	USD'000	USD'000	USD'000	USD'000
Bonds	6 902	7 695	24 589	30 555

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7. BONDS ISSUED (continued)

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 31 December 2024 and 31 December 2023.

The exposure of the Group to interest rate, liquidity and currency risk in relation to financial instruments is reported in Note 18.

8. PAYABLES FROM DERIVATIVES

	2024	2023
<u>Liabilities, net</u>	<u>USD'000</u>	<u>USD'000</u>
Fair value of the swaps	<u>1 599</u>	<u>441</u>

As at 31 December 2024 and 2023 the Group has swap agreements with J&T BANKA a.s. to bridge the currency mismatch between the issued bonds and the provided intragroup loan in USD (Note 18.5 (i)).

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.

The exposure of the Group to interest rate, liquidity and currency risk in relation to financial instruments is reported in Note 18 (i).

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9. SHARE CAPITAL AND SHARE PREMIUM

Authorised, issued and fully paid

	Number of shares	Share capital	Share premium	Total
		USD	USD	USD
Balance at 1 January 2023	63 198	68 911	64 448 370	64 517 281
Balance at 31 December 2023	63 198	68 911	64 448 370	64 517 281
Balance at 1 January 2024	63 198	68 911	64 448 370	64 517 281
Balance at 31 December 2024	63 198	68 911	64 448 370	64 517 281

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.

During the year, there were no changes in the Company's authorised nor the issued share capital (2023: No changes).

10. LOANS AND BORROWINGS

10.1 J&T BANKA Loan

As at 31 December 2024, the terms and debt repayment schedule of bank loans were as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Effective interest rate</u>	<u>Maturity</u>	<u>Carrying value USD'000</u>
Current portion of long-term loans J&T BANKA (Facility A)	USD	6% + SOFR	8.53%	31 Dec 2025	42 637

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10. LOANS AND BORROWINGS (continued)

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

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Effective interest rate</u>	<u>Maturity</u>	<u>Carrying value USD'000</u>
Long-term loans J&T BANKA (Facility A)	USD	6% + SOFR	10.16%	31 Dec 2025	29 871
Current portion of long-term loans J&T BANKA (Facility A)					9 232

On 19 October 2020 the Parent signed new Loan facilities agreement with the J&T BANKA that provided two facilities:

- i. Facility A (up to USD 40 000 thousand); and
- ii. 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 31 December 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.

In 2024 the Group signed additional agreements with its creditor J&T Banka a.s.:

- To postpone repayments of unpaid Junior debt principal due from 31 March 2022 till 31 December 2024 to 31 December 2025 (maturity date);
- To postpone payment of interest accrued and unpaid from 31 December 2021 until 23 February 2022 and from 1 March 2024 until 30 December 2024 to 31 March 2025; and
- To postpone payment of interest accrued from 24 February 2022 until 29 February 2024 to 31 December 2025.

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10. LOANS AND BORROWINGS (continued)

In April 2025 the Group signed additional agreements with its creditor J&T Banka a.s.:

- To postpone repayments of unpaid Junior debt principal due from 31 March 2022 till 31 March 2025 to 31 December 2025 (maturity date) in the amount of USD 17 347 thousand.
- To postpone payment of interest accrued and unpaid from 31 December 2021 until 23 February 2022 and from 1 March 2025 until 30 March 2025 to 30 June 2025 in the amount of USD 593 thousand to 30 June 2025.
- To postpone payment of interest accrued from 24 February 2022 until 28 February 2025 to 31 December 2025 in the amount of USD 10 167 thousand to 31 December 2025. The aim of debt service postponement was to ensure the Parent's ability for repayment of portion of intragroup loan to NUPEH CZ and its subsequent payment to the bondholders.

The Group is subject to certain financial and non-financial covenants related to its loan. During 2024 and 2023 the Group breached certain of such covenants. As of 30 June 2024 and 2023, the Group breached financial covenant and non-financial covenant Material Adverse Effect, as a result of impact on the Group from military actions ongoing in Ukraine. The breach as at 31 December 2024 and 2023 were remediated through waivers.

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 31 December 2024 and 31 December 2023.

Collateral

As at 31 December 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.:

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.

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10. LOANS AND BORROWINGS (continued)

- 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 “Piramida” (Atlantic Pacific Ventures LLC);
 - Office premises in business center “Eurasia” (Property Management Solutions One);
 - Office premises in business center “Prime” (Property Management Solutions Two);
 - Warehouse and logistic complex owned by East Gate Logistic LLC (As at 31 December 2023 two warehouses and logistic 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 considering fact that as at 31 December 2023 two warehouses and logistic complexes owned by East Gate Logistic LLC and West Gate Logistic LLC were in mortgage.

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10. LOANS AND BORROWINGS (continued)

10.2 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2024	2023
	USD'000	USD'000
At 1 January	39 103	35 496
<i>Cash movements</i>		
<i>Non-cash movements</i>		
Interest expense (Note 14)	3 534	3 607
At 31 December	42 637	39 103

The exposure of the Group to interest rate, liquidity and currency risk in relation to financial instruments is reported in Note 18.

11. TENANTS' SECURITY DEPOSITS

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

	2024	2023
	USD'000	USD'000
Short term tenants' security deposits	603	930
Long term tenants' security deposits	1 356	796
	1 959	1 726

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 6 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 years ended 31 December was as follows:

	2024 USD'000	2023 USD'000
<i>Rental income:</i>		
Fixed lease income	14 080	12 506
Variable lease income	587	553
Total rental income	14 667	13 059
<i>Revenue from contracts with customers:</i>		
Provision of utilities and other services	4 650	3 801
Other revenue	603	579
Total revenue from contracts with customers	5 253	4 380
	19 920	17 439

13. COST OF SALES

Cost of sales for the years ended 31 December was as follows:

	2024 USD'000	2023 USD'000
Utilities	1 840	1 432
Salary and salary related charges	977	901
Security	336	348
Cleaning	223	190
Current repairs	173	212
Land lease	170	66
Insurance	144	73
Maintenance	90	134
Property tax	87	(41)
Land tax	66	62
Depreciation	12	35
Other	108	110
	4 226	3 522

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14. FINANCE EXPENSES

Financial expenses for the years ended 31 December were presented as follows:

	2024	2023
	USD'000	USD'000
Foreign exchange loss	6 729	4 064
Interest expense on loans (Note 10)	3 534	3 607
Interest expenses on bonds (Note 7)	1 584	2 637
Loss on unwinding of discount of tenants	343	186
Other	-	2
	12 190	10 496

Foreign exchange loss (as well as foreign exchange gain in Note 15) 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 USD.

15. FINANCE INCOME

Finance income for the years ended 31 December was presented as follows:

	2024	2023
	USD'000	USD'000
Foreign exchange gain	1 775	1 433
Interest income from deposits	347	737
Income on discounting of tenant's deposits	446	406
Other	-	1
	2 568	2 577

16. OTHER EXPENSES, NET

Other expenses and income for the years ended 31 December were presented as follows:

	2024	2023
	USD'000	USD'000
Loss on government bonds sold, net (*)	(2 707)	(1 577)
Other	(548)	(684)
	(3 255)	(2 261)

(*) During the year ended 31 December 2024, the Company acquired securities, represented by Ukrainian government bonds and US government bonds denominated in UAH and USD. The bonds were sold prior to their maturity date and were classified as financial assets at fair value through profit or loss (FVTPL). Net loss on disposal of USD 2 707 thousand. (2023: Loss USD 1 577 thousand).'

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17. TAXATION

17.1 Tax expense

The tax expenses for the year ended 31 December were as follows:

	2024	2023
	USD'000	USD'000
<i>Subsidiaries</i>		
Current tax expense for Ukrainian subsidiaries	1 975	1 495
Deferred tax expense for Ukrainian subsidiaries	4 271	1 058
Current tax expense for Czech subsidiary	222	-
Income tax expense for the subsidiaries	6 468	2 553
<i>Parent</i>		
Overseas taxes expense	662	835
Income tax expense for the Cyprus Parent	662	835
Charge for the year	7 130	3 388

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%.

The applicable tax rate in Czech Republic is 21% during 2024 and 19% during 2023, the subsidiary company NUPEH CZ s.r.o. (Czech Republic) did not report any tax obligations. Assessed tax loss that has been reported by NUPEH CZ s.r.o. for all previous periods from its establishment, exceeds the total profit recorded by the 31 December 2024 (effective tax in 2024 is 0%). During 2024 and 2023 NUPEH CZ s.r.o. did not report any deferred tax. As of 31 December 2024, there were no unused tax losses (2023: USD 50 thousand).

17.2 Reconciliation of tax expense and effective tax rate

Reconciliation of tax based on the taxable income and tax based on the accounting profit, and effective tax rate:

	2024		2023
	USD'000	%	USD'000
Accounting profit before tax	<u>32 272</u>		<u>6 735</u>
Tax calculated at the applicable tax rate in Cyprus	4 034	12,50	842
Effect of different tax rates in other jurisdictions	2 616	8,11	358
Overseas tax	662	2,05	835
Non-taxable differences	355	1,10	676
Change in unrecognised deferred tax assets	(537)	(1,66)	677
	7 130	22,09	3 388
			50,30

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17.3 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities as at 31 December were attributable to the following items:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Investment properties	-	-	(16 872)	(14 897)	(16 872)	(14 897)
Tax losses carried forward	66	1 069	-	-	66	1 069
Trade and other accounts payable	13	15	(273)	(348)	(260)	(333)
Deferred tax assets (liabilities)	79	1 084	(17 145)	(15 245)	(17 066)	(14 161)

17.4 Movements in recognised deferred tax assets and liabilities

Movements in recognised deferred tax assets and liabilities during the year ended 31 December 2024 were as follows:

	Balance as at 31 December 2023 asset / (liability)	Recognised in profit or loss	Foreign currency translation adjustment	Balance as at 31 December 2024 asset / (liability)
	USD'000	USD'000	USD'000	USD'000
Investment properties	(14 897)	(3 372)	1 397	(16 872)
Tax losses carried forward	1 069	(942)	(61)	66
Trade and other accounts payable	(333)	43	30	(260)
Deferred tax assets (liabilities)	(14 161)	(4 271)	1 366	(17 066)

Movements in recognised deferred tax assets and liabilities during the year ended 31 December 2023 were as follows:

	Balance as at 31 December 2022 asset / (liability)	Recognised in profit or loss	Foreign currency translation adjustment	Balance as at 31 December 2023 asset / (liability)
	USD'000	USD'000	USD'000	USD'000
Investment properties	(14 557)	(882)	542	(14 897)
Tax losses carried forward	1 345	(246)	(30)	1 069
Trade and other accounts payable	(416)	70	13	(333)
Deferred tax assets (liabilities)	(13 628)	(1 058)	525	(14 161)

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17.5 Unrecognised deferred tax assets of Ukrainian subsidiaries

Deferred tax assets have been recognised in these consolidated financial statements based on the estimation performed by the Group's management that future taxable profits will be available from operating lease rentals against which the Group can utilise the benefits therefrom.

As at 31 December deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group use the benefits therefrom:

	2024		2023	
	<u>Gross amount</u>	<u>Tax effect</u>	<u>Gross amount</u>	<u>Tax effect</u>
	<u>USD'000</u>	<u>USD'000</u>	<u>USD'000</u>	<u>USD'000</u>
Loans and borrowings	<u>29 119</u>	<u>5 241</u>	<u>33 415</u>	<u>6 015</u>

18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT

18.1 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.

18.2 Overview

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

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

18.3 Credit risk

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.

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18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT
(continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2024	2023
	USD'000	USD'000
Accrued lease receivable	699	682
Trade and other receivables	716	830
Cash and cash equivalents	4 354	4 879
	5 769	6 391

Trade and other accounts receivable

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

	2024	2023
	USD'000	USD'000
Ukrainian subsidiaries (current)	690	808
Ukrainian subsidiaries (non-current)	699	682
New Ukraine PE Holding Limited	26	22
Total trade and other receivables	1 415	1 512

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

	2024	2023
	USD'000	USD'000
Trade and other receivables invoiced	265	326
Accrued lease receivable (non-current)	699	682
Accrued lease receivable (current)	451	482
Total trade and other receivables of Ukrainian subsidiaries	1 415	1 490

The Group has elected to measure loss allowances for trade receivables and receivables on internal settlements at an amount equal to lifetime ECLs.

The Group is not significantly exposed to the risk of non-recoverability of trade and other accounts receivable as all of the Company's trade accounts receivable balances are secured by the tenants' security deposits, thus no impairment loss has been recognised for the year (2023: Nil).

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18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT **(continued)**

Cash and cash equivalents

The table below shows an analysis of the Group's bank balances by the credit rating of the bank in which they are held, as have been assessed by management taking into consideration available external credit ratings:

	2024	2023
	USD'000	USD'000
A3	58	-
Baa2	3 386	2 866
Caa2	1	8
Ca	909	2 005
	4 354	4 879

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 is not significantly exposed to credit losses due to short-term nature of cash and cash equivalents, thus no impairment loss has been recognised for the year (2023: Nil).

18.4 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 31 December 2024. The amounts are gross and undiscounted, and include estimated interest payments:

	Carrying amount	Contractual cash flows	Within one year	2-5 years
	USD'000	USD'000	USD'000	USD'000
Loans and borrowings	42 637	45 944	45 944	-
Bonds issued	7 695	8 970	8 970	-
Tenants' security deposits	1 959	2 518	754	1 764
Derivative liabilities	1 599	1 599	1 599	-
Trade and other payables	676	676	676	-
	54 566	59 707	57 943	1 764

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18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT
(continued)

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:

	Carrying amount	Contractual cash flows	Within one year	2-5 years
	USD'000	USD'000	USD'000	USD'000
Loans and borrowings	39 103	45 183	12 612	32 571
Bonds issued	30 555	35 037	2 143	32 894
Tenants' security deposits	1 726	2 238	1 167	1 071
Derivative liabilities	441	441	441	-
Trade and other payables	891	891	891	-
	72 716	83 790	17 254	66 536

18.5 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 Company uses derivatives (currency swaps) to manage its exposure to foreign currency and interest rate risks.

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.

The Group's exposure to foreign currency is mainly as follows:

- Ukrainian subsidiaries of the Group have significant loans balances denominated in USD as at 31 December 2024 and 31 December 2023 and are exposed to foreign currency risk in the event of significant devaluation of UAH. The Company manages this risk in the process of sales pricing by linking rent charges to changes in USD and EUR exchange rates. A 10% percent weakening of the Ukrainian hryvnia against USD as at 31 December 2024 would have decreased net profit and decreased equity by USD 3 522 thousand (2023: a 10 percent weakening of the Ukrainian hryvnia against USD as at 31 December 2023 would have decreased net profit and decreased equity by USD 4 958 thousand). The strengthening of the Ukrainian hryvnia would have the opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.
- Czech subsidiary NUPEH CZ s.r.o. of the Group has significant bond balances denominated in CZK. Transactions related to the issued bond were captured by the Group by concluding cross-currency swaps and foreign currency swaps, between the subsidiary company and J&T Banka a.s. as shown below:

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18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT
(continued)

Cross-currency swap

Party A	J&T BANK (“J&TB”)
Party B	NUPEH CZ s.r.o. (“NUPEH”)
Instrument	USD/CZK Cross currency swap
Purpose	hedge of currency and interest rate risk related to a new bond issue in CZK
Market	OTC
Side	NUPEH borrows USD and pays USD fix coupon @6.45% pa 30E/360 s/a, and lends CZK and receives CZK fix coupon @5.90% pa 30E/360 s/a J&TB vice versa
Currency pair	USD/CZK
Tenor	4.39 years
Exchange rate	21.230 (spot market rate)
Notional	200 000 000 CZK
<i>Initial notional exchange</i>	
Volume, currency	200 000 000 CZK
Side	NUPEH buys USD vs CZK, J&TB vice versa
Value date	June 30th 2021
<i>Final notional exchange</i>	
Volume, currency	200 000 000 CZK
Side	NUPEH sells USD vs CZK, J&TB vice versa
Value date	End of last interest period
<i>Interest payments</i>	
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 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.

The Group valued and recognized the fair value of the swap as a liability in the amount of USD 1 229 thousand as at 31 December 2024, as at 31 December 2023 the fair value of the swap was recognized as a liability in the amount of USD 490 thousand.

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18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT
(continued)

Cross-currency swap

Party A	J&T BANK (“J&TB”)
Party B	NUPEH CZ s.r.o. (“NUPEH”)
Instrument	USD/CZK Cross currency swap
Purpose	hedge of currency and interest rate risk related to a new bond issue in CZK
Market	OTC
Side	NUPEH borrows USD and pays USD fix coupon @6.45% pa 30E/360 s/a, and lends CZK and receives CZK fix coupon @5.90% pa 30E/360 s/a J&TB vice versa
Currency pair	USD/CZK
Tenor	4.39 years
Exchange rate	21.230 (spot market rate)
Notional	150 000 000 CZK
<i>Initial notional exchange</i>	
Volume, currency	150 000 000 CZK
Side	NUPEH buys USD vs CZK, J&TB vice versa
Value date	June 30th 2021
<i>Final notional exchange</i>	
Volume, currency	150 000 000 CZK
Side	NUPEH sells USD vs CZK, J&TB vice versa
Value date	End of last interest period
<i>Interest payments</i>	
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 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.

The Group valued and recognized the fair value of the swap as a liability in the amount of USD 922 thousand as at 31 December 2024, as at 31 December 2023 the fair value of the swap was recognized as a liability in the amount of USD 368 thousand.

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18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT
(continued)

Foreign currency swap

Party A	J&T BANK (“J&TB”)
Party B	NUPEH CZ s.r.o. (“NUPEH”)
Instrument	USD/CZK Foreign currency swap
Purpose	hedge of currency risk related to an early redemption of bonds in CZK
Market	OTC
Side	Nupeh sells CZK and buys CZK and buys USD and sells USD J&TB vice versa
Currency pair	USD/CZK
Tenor	0.5 years
Exchange rate	22.365 (spot market rate)
Notional	180 597 375 CZK
<i>Initial notional exchange</i>	
Volume, currency	180 597 375 CZK
Side	NUPEH buys USD vs CZK, J&TB vice versa
Value date	September 19th 2024
<i>Final notional exchange</i>	
Volume, currency	180 597 375 CZK
Side	NUPEH sells USD vs CZK, J&TB vice versa
Value date	October 29th 2025

The Group additionally set up a foreign exchange currency swap on 19 September 2024 in the amount of CZK 180 597 thousand against the amount of USD 8 075 thousand. The maturity of the swap is 29 October 2025.

The Group valued and recognised the fair value of the swap as a receivable in the amount of USD 552 thousand as at 31 December 2024, as at 31 December 2023 in the amount of USD 0 thousand.

Foreign currency swap

Party A	J&T BANK (“J&TB”)
Party B	NUPEH CZ s.r.o. (“NUPEH”)
Instrument	USD/CZK Foreign currency swap
Purpose	hedge of currency risk related to an early redemption of bonds in CZK
Market	OTC
Side	Nupeh sells CZK and buys CZK and buys USD and sells USD J&TB vice versa
Currency pair	USD/CZK
Tenor	0.5 years
Exchange rate	23.568 (spot market rate)
Notional	223 896 000 CZK

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18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT
(continued)

The Group set up foreign exchange currency swap on 18 April 2024 in the amount of CZK 223 896 thousand against the amount of USD 9 500 thousand. The swap was executed on October 29, 2024.

Foreign currency swap

Party A	J&T BANK (“J&TB”)
Party B	NUPEH CZ s.r.o. (“NUPEH”)
Instrument	USD/CZK Foreign currency swap
Purpose	hedge of currency risk related to an early redemption of bonds in CZK
Market	OTC
Side	Nupeh sells CZK and buys CZK and buys USD and sells USD J&TB vice versa
Currency pair	USD/CZK
Tenor	0.5 years
Exchange rate	23.085 (spot market rate)
Notional	337 756 635 CZK
<i>Initial notional exchange</i>	
Volume, currency	337 756 635 CZK
Side	NUPEH buys USD vs CZK, J&TB vice versa
Value date	September 26th 2023
<i>Final notional exchange</i>	
Volume, currency	337 756 635 CZK
Side	NUPEH sells USD vs CZK, J&TB vice versa
Value date	April 29th 2024

The Group set up foreign exchange currency swap on 26 September 2023 in the amount of CZK 337 757 thousand against the amount of USD 14 631 thousand. The swap was executed on 29 April 2024.

The Group valued and recognized the fair value of the swap as an asset in the amount of USD 417 thousand as at 31 December 2023.

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18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT
(continued)

Cross-currency swap

Party A	J&T BANK (“J&TB”)
Party B	NUPEH CZ s.r.o. (“NUPEH”)
Instrument	USD/CZK Cross currency swap
Purpose	hedge of currency and interest rate risk related to a new bond issue in CZK
Market	OTC
Side	NUPEH borrows USD and pays USD fix coupon @7.25% pa 30E/360 s/a, and lends CZK and receives CZK fix coupon @5.90% pa 30E/360 s/aJ&TB vice versa
Currency pair	USD/CZK
Tenor	5 years
Exchange rate	22.980 (spot market rate)
Notional	700 000 000 CZK
<i>Initial notional exchange</i>	
Volume, currency	700 000 000 CZK
Side	NUPEH buys USD vs CZK, J&TB vice versa
Value date	October 30th 2020
<i>Final notional exchange</i>	
Volume, currency	700 000 000 CZK
Side	NUPEH sells USD vs CZK, J&TB vice versa
Value date	End of last interest period
<i>Interest payments</i>	
Interest rate Period	Semi annually
Rates: CZK (NUPEH receives)	CZK fix 5.90% pa 30/360
Rates: USD (NUPEH pays)	USD fix 7.25% pa 30/360
Day count	30E/360

The cross-currency swap was early terminated on 25 October 2023, the final settlement was done on 27 October 2023.

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.

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18. FINANCIAL INSTRUMENTS – FAIR VALUES AND FINANCIAL RISK MANAGEMENT
(continued)

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.

18.6 *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 31 December 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 (Note 7).

18.7 *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 year.

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19. COMMITMENTS AND CONTINGENCIES

19.1 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 6 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.

As at 31 December the maturity analysis of lease payments, showing the contractual undiscounted lease payments to be received on an annual basis is as follows:

	2024	2023
	USD'000	USD'000
Up to one year	12 519	11 052
Between one and two years	9 200	7 091
Between two and three years	4 144	4 259
Between three and four years	1 799	1 891
Between four and five years	1 029	840
More than five years	603	1 196
	29 294	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 year ended as at 31 December 2024 amounted to USD 164 thousand (2023: USD 65 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.

19.2 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.

19.3 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

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19. COMMITMENTS AND CONTINGENCIES (continued)

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.

Ukraine's tax environment is characterized by complexity in tax administration and arbitrary interpretation by tax authorities of tax laws and regulations that, inter alia, can increase fiscal pressure on taxpayers. Inconsistent application, interpretation, and enforcement of tax laws can lead to litigation, which, as a consequence, may result in the imposition of additional taxes, penalties, and interest, and those amounts could be material. Facing current economic and political issues, the Ukrainian government is considering implementing certain reforms in the tax system of Ukraine. During 2024, several changes to the Ukrainian tax legislation were introduced, including the following:

Law No. 4015-IX

On 28 November 2024, the President of Ukraine signed Law No. 4015-IX, which introduced amendments to the Tax Code of Ukraine.

The Law establishes changes to the tax rates, as well as the procedure of administration of taxes, in particular:

- temporary increase of the military tax rate for the period of martial law from 1.5% to 5%;
- monthly payroll tax reporting will be applicable starting from 1 January 2025 (instead of quarterly reporting);
- rent – the law established the rules for determining the actual selling price of extracted minerals and commodity products of a mining enterprise. In addition, the conditions for applying the rental fee rates for natural gas have been changed. The tax rate will depend on whether the actual gas sales price is lower or higher than 400 USD.
- minimum tax liability – the law introduced changes to the calculation of the minimum tax liability.

White Business Club

On 24 July 2024, the President of Ukraine signed the so-called Law on the establishment of the "White Business Club," which, among other things, introduced a list of taxpayers with a high level of voluntary compliance with tax legislation who will have a number of tax administration benefits during martial law, including:

- A moratorium on certain types of tax audits;
- Reduced timelines for providing individual tax rulings;

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19. COMMITMENTS AND CONTINGENCIES (continued)

- Shortened terms of desk and documentary audits regarding claims for VAT refund (5 days and 10 days, respectively);
- Assignment of a "compliance manager" to the taxpayer responsible for consulting on issues related to the fulfilment of its tax obligations.

The list of taxpayers maintaining a high level of voluntary tax compliance will include the taxpayers:

1. who meet certain quantitative criteria (pay taxes and wages at/or above the industry average level).
2. who do not meet any "negative" criteria, including falling under the VAT payer risk criteria, sanction applied against the taxpayer, its founders, and/or ultimate beneficial owners, tax debt exceeding 3,000 non-taxable minimums for the last 30 days, USC tax arrears, non-submission of tax reporting, tax assessment notice received within one year on exceeding the settlement deadlines in goods export/import transactions, initiated taxpayer termination or bankruptcy procedures, other grounds.

Further cancellation of the moratorium on tax audits

On 20 March 2024, draft Law No. 9456, "On Amendments to the Customs Code of Ukraine Regarding Customs Clearance of Biomethane", was adopted.

According to it, from 1 May 2024, the moratorium on:

- scheduled documentary tax audits; and
- unscheduled documentary tax audits (on-site and off-site) are cancelled.

In addition, initiated and unfinished tax audits by 24 February 2022, are to be completed.

However, the moratorium is maintained for taxpayers who:

- import goods during the period of martial law, including those recognized as humanitarian assistance;
- are registered in temporarily occupied territories, territories of active and possible hostilities.

Automatic Exchange of Information

On 26 June 2024, the State Tax Service of Ukraine informed that the Global Forum of the OECD has approved the Report on the Maturity of Information Security Management System in Ukraine. Practically, this fact confirmed that Ukraine is technically ready to exchange information and has relevant access controls, privacy/risk management, and cybersecurity measures in place.

It was the final requirement for connecting Ukraine to the CRS ("Common Standard on Reporting and Due Diligence for Financial Account Information") and CbCR ("Country-by-Country Reporting") systems and thus to start the automatic exchange of information.

The 2024 reporting year is the first reporting period for the exchange of Country-by-Country Reports.

CFC reporting

In accordance with the Law of Ukraine No. 3706-IX dated 9 May 2024, temporarily, effective from 1 January 2022, and during the martial law in Ukraine and six months after termination or cancellation of the martial law, fines shall not be applied to taxpayers for a delayed submission by a controlling party of the CFCs Report and for a failure to represent by the controlling party in relevant Reports of data and information on the existing CFCs.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. COMMITMENTS AND CONTINGENCIES (continued)

As at 31 December 2024, the Group's management assessed its maximum exposure to tax risks for total amount of USD 394 thousand (2023: USD 535 thousand).

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 consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant. Management believes that no provision is required in the Group's consolidated financial statements as at 31 December 2024 (31 December 2023: No provision).

20. RELATED PARTY TRANSACTIONS

i Control relationship

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

ii 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 year ended 31 December 2024 remuneration of key management personnel amounted to USD 343 thousand (31 December 2023: USD 259 thousand).

For the years ended 31 December 2024 and 2023, Ukrainian subsidiaries paid management fees to the Manager of the Fund on behalf of the Group for management services provided by the Manager to the Group in the amount of USD 207 thousand and USD 422 thousand, respectively.

iii Transactions and balances with related parties

Outstanding balances with related parties as at 31 December are as follow::

	2024	2023
	USD'000	USD'000
<i>Cash and cash equivalents (Note 6)</i>		
Entities under common control	894	1 956
<i>Trade and other receivables</i>		
Entities under common control	8	-
<i>Trade and other payables</i>		
Shareholders	3	3
Entities under common control	113	-
	116	3

Transactions with related parties during the year ended 31 December are as follow:

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20. RELATED PARTY TRANSACTIONS (continued)

	2024	2023
	USD'000	USD'000
<i>Interest income</i>		
Entities under common control	87	442
<i>Other income (expenses) *(Note 16)</i>		
Shareholders	12 872	13 597
<i>Revenue</i>		
Entities under common control	124	-
<i>Cost of sales</i>		
Entities under common control	49	-
<i>General and administrative expenses</i>		
Entities under common control	22	-

* Other income represents income from Ukrainian government bonds and US government bonds denominated in UAH and USD sale.

21. EVENTS AFTER THE REPORTING PERIOD

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

The Group has taken necessary steps to manage its financial obligations. It received the consent of J&T BANKA, a.s., the lender of the Parent's own loan facility of USD 40 million to defer payment of the March 2025 debt. Under Amendment #17 all interests for the period from 31 December 2021 until 23 February 2022 and from 1 March 2025 until 30 March 2025 shall be paid on 30 June 2025. All interests for the period from 24 February 2022 till 28 February 2025 are postponed till the maturity date which is 31 December 2025. The payment of principal from 31 March 2022 till 31 March 2025 is postponed till maturity date which is 31 December 2025.

The Group additionally set up foreign exchange currency swap on 11 April 2025 in the amount of CZK 153 800 thousand against the amount of USD 6 937 thousand.

In March 2025, NUPEH CZ published the Notice of the early redemption of the Bonds. On 30 April 2025 the Company partially redeemed the Bonds, whereas the nominal amount of each Bond decreased from CZK 1 770 to CZK 260.

In March 2025, LLC "East Gate Logistik", a subsidiary of NUPEH, established a new entity, LLC "East Gate Solar", to acquire and install solar panels for the purpose of generating and distribution of solar energy that will be used by East Gate project.