LIMITED LIABILITY COMPANY "PURATOS UKRAINE"

FINANCIAL STATEMENTS
for the year ended 31 December 2025
with Independent Auditor's Report

LIMITED LIABILITY COMPANY "PURATOS UKRAINE"

FINANCIAL STATEMENTS
for the year ended 31 December 2025

CONTENTS **PAGES**

Nexia DK Audit LLC
The registration number 3150 in the Register of Auditors and Audit Entities
Lviv 79029, 102v Antonovycha street, 2nd floor, tel.: + 380 50 298 85 85
Kyiv 04112, 8 Sikorskoho street, Building D, office 39, tel.: + 380 44 233 64 64
audit@nexia.dk.ua, www.nexia.dk.ua, www.nexia.com

INDEPENDENT AUDITOR'S REPORT

To the Management and Owners of LIMITED LIABILITY COMPANY "PURATOS UKRAINE"

Financial Statement Audit Report

Opinion

We have audited the financial statements of *LIMITED LIABILITY COMPANY "PURATOS UKRAINE*" (the Company) which comprise the balance sheet (statement of financial position) as at 31 December 2025, and the statement of profit and loss (statement of comprehensive income), statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Financial Statements* section of our report. We are independent of the Company in accordance with the 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 financial statements in Ukraine, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 and Note 3 to the financial statements that describe the impact of the ongoing military invasion of the russian federation and economic instability in Ukraine, as well as management's assumptions about the Company's ability to continue as a going concern. These events or conditions, along with other matters specified in notes, indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises the information included in the management report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to review the management report, which is prepared in accordance with the law, and, in doing so, consider whether there is a material discrepancy between the financial information in the management report and the financial statements for the reporting period and/or other information, obtained by us during the audit, or whether that financial information appears to be materially misstated. We have not identified any inconsistencies between the financial information in the management report and the Company's

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financial statements for the reporting period and/or other information obtained during our audit. We have not identified any material misstatements in the management report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Ukrainian legislation on financial reporting, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We communicate with those charged with governance 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.

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Report on Legal and Regulatory Requirements

In accordance with part five of Article 121 of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine", entities applying International Financial Reporting Standards are required to prepare and submit financial statements based on the IFRS financial reporting taxonomy in a single electronic format. As of the date of our auditor's report, the Company had not prepared the financial statements for the year ended 31 December 2025 in the single electronic format (iXBRL); therefore, in our opinion, the financial statements do not comply with the requirements of part five of Article 121 of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" with respect to the requirement to prepare financial statements in a single electronic format.

The Engagement partner on the audit resulting in this independent auditor's report is Oleksandr Bilyk.
Registration number in the Register of Auditors and Audit Entities: 100517

Oleksandr BILYK on behalf of NEXIA DK AUDIT LLC
Kyiv, 29 May 2026

ТОВАРИСТВО З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ "НЕКСІЯ ДК АУДИТ" * УКРАЇНА * 32409677 * LIMITED LIABILITY COMPANY Nexia DK Audit

STATEMENT ON MANAGEMENT'S RESPONSIBILITY FOR PREPARATION AND APPROVAL OF FINANCIAL STATEMENTS

The hereinafter statement, which should be read together with the description of the duties of the independent auditor, included in the above presented independent auditor's report, is made in order to differentiate between the responsibilities of the management of Limited Liability Company "Puratos Ukraine" (hereinafter referred to as the "Company") and mentioned independent auditor as to the financial statements of the Company.

Management of the Company is responsible for the preparation of the financial statements that present fairly, in all material respects, the financial position of the Company as of 31 December 2025, and its financial performance and cash flows for the year ended 31 December 2025 in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS").

In the course of preparation of the financial statements the management of the Company is responsible for:

- Selecting, applying, and consistent application of appropriate accounting policies;
- Applying reasonable estimates and assumptions;
- Following the respective IFRS and disclosure of all material deviations from IFRS in the notes to the financial statements;
- Preparation of the financial statements based on the assumption that the Company will continue as a going concern except for the cases when such assumption is illegal.

Management is also responsible for:

- Designing, implementing, and maintaining effective and reliable internal control;
- Support of the accounting system which enables to prepare the information concerning the financial position of the Company with an appropriate level of accuracy at any time and guarantee the compliance of the financial statements with the requirements of IFRS;
- Taking measures within their competence to ensure the safekeeping of the assets of the Company;
- Prevention and detection of frauds and other abuses.

The financial statements of the Company as of 31 December 2025 were approved by management on 29 May 2026.

(Signature)	*(Signature)*
Director / Serhii Solovei (Position / Name)	Chief accountant / Svitlana Hulinska (Position / Name)

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м. Одеса * Україна * Товариство з обмеженою відповідальністю «ПУРАТОС УКРАЇНА» Ідентифікаційний код 33933338

		CODES
	Date (year month day)	2026 | 01 | 01
Entity: **LIMITED LIABILITY COMPANY "PURATOS UKRAINE"**	acc. to EDRPOU	**33933338**
Territory: Odesa region	acc. to KOATUU	**UA5110027001 0076757**
Type of an entity: Limited Liability Company	acc. to KOPFG	**240**
Type of economic activity: Wholesale of other food, including fish, crustaceans and mollusks	acc. to KVED	**46.38**
Average number of employees: 128		
Measuring unit: Thousands of UAH		
Address: st. Chornomorskoho Kozatstva, 115, Odesa, Odesa region, 65003		

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
as of 31 December 2025

Form № 1 DKUD 1801001

Assets	Item No	Notes	At the beginning of the year	At the end of the year
1	2	3	4	5
I. Non-current assets				
Intangible assets:	1000	6	859	331
cost	1001		5 559	5 497
accumulated amortization	1002		4 700	5 166
Construction-in-progress	1005	8	1 012	14 830
Property, Plant and Equipment:	1010	7	112 985	105 818
cost	1011		246 626	262 599
accumulated depreciation	1012		133 641	156 781
Other financial investments	1035	11	-	54 145
Deferred tax assets	1045	24	130	203
Total, Non-current assets	**1095**		**114 986**	**175 327**
II. Current assets				
Inventories	1100	9	128 369	162 296
Raw materials and supplies	1101		51 344	80 081
work in progress	1102		1 597	738
finished goods	1103		32 766	19 738
merchandise	1104		42 662	61 739
Trade receivables	1125	10	36 303	53 448
Receivables from:				
prepayments	1130		1 754	38 305
State budget	1135		6 549	980
including income tax prepaid	1136		4 042	499
Receivables from accrued income	1140		39	630
Other receivables	1155		4 858	16
Current financial investments	1160	11	46 654	-
Cash and cash equivalents	1165	12	48 265	50 105
current bank accounts	1167		48 265	50 105
Deferred expenses	1170		1 713	528
Other current assets	1190		332	2 574
Total, Current assets	**1195**		**274 836**	**308 882**
III. Non-current assets held for sale and discontinued operations	**1200**		**-**	**-**
TOTAL	**1300**		**389 822**	**484 209**

FINANCIAL STATEMENTS
for the year ended 31 December 2025

Liabilities	Item No	Notes	At the beginning of the year	At the end of the year
1	2	3	4	5
I. Equity				
Authorized capital	1400	13	159 912	159 912
Accumulated deficit	1420		57 000	86 412
Total, Equity	**1495**		**216 912**	**246 324**
II. Long-term liabilities and provisions				
Other long-term liabilities	1515	7	71 890	72 911
Long-term provisions	1520	14	1 753	2 197
Total, Long-term liabilities and provisions	**1595**		**73 643**	**75 108**
III. Current liabilities				
Short-term bank loans	1600		-	-
Payables for:				
long-term liabilities	1610	7	4 007	6 671
trade payables	1615	15	72 723	148 974
payables to state budget	1620		6 142	27
payables for insurance	1625		241	-
payables to employees	1630		1 567	-
advances received	1635		556	2
Current provisions	1660	16	14 022	7 102
Other current liabilities	1690		9	1
Total, Current liabilities	**1695**		**99 267**	**162 777**
IV. Liabilities associated with non-current assets held for sale and discontinued operations	**1700**		-	-
Net asset value of a non-state pension fund	**1800**		**-**	**-**
TOTAL	**1900**		**389 822**	**484 209**

Director Serhii Solovei

Chief Accountant Svitlana Hulinska

м. Одеса * Україна * Товариство з обмеженою відповідальністю
«ПУРАТОС УКРАЇНА»
Ідентифікаційний код 33933338

STATEMENT OF PROFIT AND LOSS (STATEMENT OF COMPREHENSIVE INCOME) for the year 2025

Form № 2 DKUD 1801003

I. PROFIT AND LOSS

Item	Item No	Notes	For reporting Period	For previous period
1	2	3	4	5
Revenue	2000	17	939 319	899 730
Cost of sales	2050	18	(742 445)	(700 581)
Gross:				
Profit	**2090**		**196 874**	**199 149**
Loss	2095		-	-
Other operating income	2120	19	3 632	7 771
Administrative expenses	2130	20	(24 022)	(26 122)
Selling expenses	2150	21	(97 295)	(88 200)
Other operating expenses	2180	22	(35 918)	(42 631)
Result from operating activities:				
Profit	**2190**		**43 271**	**49 967**
Loss	2195		-	-
Other financial income	2220	11	1 617	1 358
Other income	2240		6 336	1 094
Financial expenses	2250	23	(15 117)	(13 059)
Other expenses	2270		(200)	-
Result before income tax:				
Profit	**2290**		**35 907**	**39 360**
loss	2295		-	-
Income tax	2300	24	(6 495)	(7 134)
Net result for the year:				
Profit	**2350**		**29 412**	**32 226**
Loss	**2355**		-	-

II. OTHER COMPREHENSIVE INCOME

Item	Item No	Notes	For reporting period	For previous period
1	2	3	4	5
Other comprehensive income before income tax	**2450**		-	-
Income tax on other comprehensive income	2455		-	-
Other comprehensive income after tax	**2460**		-	-
Comprehensive income (items 2350, 2355 and 2460)	**2465**		**29 412**	**32 226**

III. OPERATING EXPENSES

Item	Item No	Notes	For reporting period	For previous period
1	2	3	4	5
Cost of materials used	2500		712 163	660 044
Payroll	2505		71 988	71 398
Social insurance contributions	2510		13 811	12 880
Depreciation and amortization	2515		24 207	21 793
Other operating expenses	2520		77 511	91 419
Total	**2550**		**899 680**	**857 534**

IV. EARNINGS PER SHARE

Item	Item No	Notes	For reporting period	For the previous period
1	2	3	4	5
Average number of ordinary shares	2600		-	-
Diluted average number of ordinary shares	2605		-	-
Earnings per share	2610		-	-
Diluted earnings per share	2615		-	-
Dividends per share	2650		-	-

Director Serhii Solovei

Chief Accountant Svitlana Hulinska

м. Одеса Україна Товариство з обмеженою відповідальністю
«ПУРАТОС УКРАЇНА»
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STATEMENT OF CASH FLOWS (direct method)
for the year 2025

Form № 3 DKUD code 1801004

Item	Item No	Notes	For reporting period	For previous period
1	2	3	4	5
I. Cash flows from operating activities				
Proceeds from:				
Revenue	3000		747 370	481 139
Refund of taxes and duties	3005		-	5
Special-purpose financing	3010		119	530
Receipts of advances from customers	3015		366 720	573 704
Receipts from return of advances	3020		1 781	1 621
Interest on current accounts balances	3025		3 160	6 468
Other receipts	3095		113	33
Disbursements for: Goods (works, services)	3100		(674 375)	(638 940)
Payroll	3105		(60 418)	(54 719)
Payroll related taxes	3110		(15 045)	(12 717)
Taxes and charges	3115		(57 630)	(59 596)
Payments of income tax	3116		(3 025)	(12 356)
Payments of VAT	3117		(35 450)	(33 000)
Payments of other taxes and charges	3118		(19 155)	(14 240)
Payments of advances made	3135		(266 657)	(279 063)
Payments for return of advances received	3140		(70)	(1 158)
Other payments	3190	25	(3 507)	(4 019)
Net cash flow from operating activities	**3195**		**41 561**	**13 288**
II. Cash flows from investing activities				
Proceeds from sales of: Financial investments	3200	11	52 300	45 262
Non-current assets	3205		-	-
Payments for: financial investments	3255	11	(52 375)	(48 415)
Payments for: non-current assets	3260		(18 957)	(8 360)
Net cash flows from investing activities	**3295**		**(19 032)**	**(11 513)**
III. Cash flows from financing activities				
Proceeds from loans and borrowings	3305		-	-
Repayment of borrowings	3350		-	-
Payment of interest	3360		(3 302)	(2 717)
Other payments	3390	25	(17 436)	(13 718)
Net cash flows from financing activities	**3395**		**(20 738)**	**(16 435)**
Net cash flow for the reporting period	**3400**		**1 791**	**(14 660)**
Cash balance at the beginning of the year	3405		48 265	62 294
Net effect of changes in foreign exchange rates on the cash balance	3410		49	631
Cash balance at the end of the year	**3415**		**50 105**	**48 265**

Director Serhii Solovei

Chief Accountant Svitlana Hulinska

м. Одеса * Україна * Товариство з обмеженою відповідальністю «ПУРАТОС УКРАЇНА» Ідентифікаційний код 33933338

These financial statements should be read in conjunction with the annexed notes which form its integral part.

FINANCIAL STATEMENTS
for the year ended 31 December 2025

STATEMENT OF CHANGES IN EQUITY
for the year 2025

From № 4 DKUD 1801005

Item	Item No	Authorized capital	Revaluation surplus	Additional capital	Capital reserves	Accumulated deficit	Unpaid capital	Treasury shares	Total
1	2	3	4	5	6	7	8	9	10
At the beginning of the year	**4000**	**159 912**	**-**	**-**	**-**	**57 000**	**-**	**-**	**216 912**
At the beginning of the year, adjusted	4095	159 912	-	-	-	57 000	-	-	216 912
Net result for the year	4100	-	-	-	-	29 412	-	-	29 412
Total changes in capital	4295	-	-	-	-	29 412	-	-	29 412
At the end of the year	**4300**	**159 912**	**-**	**-**	**-**	**86 412**	**-**	**-**	**246 324**

STATEMENT OF CHANGES IN EQUITY
for the year 2024

Форма № 4 Код за ДКУД 1801005

Item	Item No	Authorized capital	Revaluation surplus	Additional capital	Capital reserves	Accumulated deficit	Unpaid capital	Treasury shares	Total
1	2	3	4	5	6	7	8	9	10
At the beginning of the year	**4000**	**159 912**	**-**	**-**	**-**	**24 774**	**-**	**-**	**184 686**
At the beginning of the year, adjusted	4095	159 912	-	-	-	24 774	-	-	184 686
Net result for the year	4100	-	-	-	-	32 226	-	-	32 226
Total changes in capital	4295	-	-	-	-	32 226	-	-	32 226
At the end of the year	**4300**	**159 912**	**-**	**-**	**-**	**57 000**	**-**	**-**	**216 912**

Director Serhii Solovei

Chief Accountant Svitlana Hulinska

м. Одеса * Україна * Товариство з обмеженою відповідальністю «ПУРАТОС УКРАЇНА» Ідентифікаційний код 33933338

These financial statements should be read in conjunction with the annexed notes which form its integral part.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025
(in thousands of UAH, unless otherwise stated)

1. Information about the Company and its core activities

Puratos Group is an international group of companies that offers a full range of innovative products, raw materials, and experience in the bakery, confectionery, and chocolate industries. The headquarters of the Group is located near Brussels (Belgium), where the company was founded in 1919. A century later, products and services are available in more than 100 countries around the world and, in many cases, are produced by a network of local subsidiaries.

Puratos Group has been present in Ukraine for over 19 years. Its activities began with the opening of a representative office, and on 28 November 2005, Puratos Ukraine LLC ("the Company")) was registered, which later became the main legal form of the Group's presence in the country. On 16 May 2016 a new state-of-the-art plant was opened in Odesa region to produce margarine, sourdoughs, fillings, dry bakery mixes, improvers and glaze.

On 30 November 2022, the Company created a Puratos Ukraine bakery industry renovation fund ("BIRF") which was founded for the material and technological support of Ukrainian enterprises in the bakery and confectionery industries that suffered as a result of russian aggression. The main goal of the BIRF is to restore damaged production lines and purchase raw materials for production.

The Company's legal address is: 65003, Odesa region, Odesa, Chornomorskoho Kozatstva street, 115.
In 2025 the average headcount of the Company was 128 employees (2024: 100 employees).

2. Company's operating environment in Ukraine

The Ukrainian economy, as before, is characterized by the signs and risks of a market with a transition economy. Such features include, but are not limited to, the low level of liquidity in the capital markets, the relatively high level of inflation and the presence of currency controls, which do not allow the national currency to be a liquid means of payment outside of Ukraine. The stability of Ukraine's economy largely depends on the government's policies and actions aimed at reforming the administrative and legal systems, as well as the economy as a whole.

In recent years, against the background of the restriction of political and economic ties with the russian federation, Ukraine has reoriented its economy to close cooperation with the countries of the European Union ("EU"), realizing the potential of the established Deep and Comprehensive Free Trade Area ("DCFTA") with the EU.

Starting from 24 February 2022, large-scale hostilities related to the invasion of the russian federation continue in Ukraine. This attack is a continuation of the russian-Ukrainian war, which was started by the russian federation with the seizure of Crimea in February-March 2014 and the war in certain areas of Luhansk and Donetsk regions since April 2014.

As a result of the military invasion of the russian federation, full-scale hostilities broke out and continue a large territory, covering several regions of Northern, Eastern and Southern Ukraine. The airspace is closed to civil aviation; objects of military and civilian infrastructure throughout the territory of Ukraine are regularly subjected to rocket and bomb attacks, artillery shelling. In Ukraine, starting from 24 February 2022, martial law is in effect continuously.

Throughout 2025, Ukraine's economy continued to operate under conditions of ongoing attacks on energy infrastructure, disrupted domestic and international logistics, and high security risks. Nevertheless, according to estimates of the Ministry of Economy, Environment and Agriculture of Ukraine, in 2025 Ukraine's real GDP increased by 2,2% (2024: growth of 2,9%). Positive trends were observed in such key sectors as retail trade, construction, defense and manufacturing industries, production of construction materials, metallurgy, and others.

In December 2025, inflation in Ukraine slowed to 8,0% year-on-year (2024: 12,0%). The main drivers of price growth were: an increase in business costs for energy supply, logistics and wages (amid labor shortages); low harvests caused by adverse weather, which significantly pushed up food prices in the first half of the year; depreciation of the hryvnia (from UAH 43,69 per EUR at the beginning of the year to UAH 49,86 per EUR at the end of the year), which led to a noticeable increase in prices of imported goods and fuel; strong exports amid resilient domestic consumer demand; and tax and regulatory changes.

The main risks for economic development and business activity in Ukraine are a longer term and/or a potential expansion of the theatre of hostilities, a further destruction of the energy infrastructure, as well as a decrease in international financial and military aid. These risks may limit or make impossible the Company's business activities in Ukraine. However, as of the end of the reporting year, the Company's ordinary operations have not been disrupted, and there are no active hostilities in the region where the Company's main assets are located.

2. The Company's operating environment *(continued)*

The stabilization of the military, political and economic situation largely depends on the success of the joint efforts of Ukraine and the international community, but at the moment it is difficult to predict the further development of events, including the functioning of public authorities, enterprises and organizations in Ukraine.

The financial statements reflect the current assessment of the Company's management of the military, political and economic situation in Ukraine and its potential impact on the Company's activities and financial position. Further developments in the country may differ significantly from management's assessment.

3. Basis of preparation

3.1. Statement of compliance

These financial statements were prepared according to the International Financial Reporting Standards ("IFRS"), approved by the International Accounting Standards Board ("IASB"), as well as the interpretations issued by the IFRS Interpretations Committee ("IFRIC").

In accordance with paragraph 5 of Article 121 of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine", entities applying International Financial Reporting Standards are required to prepare and submit financial statements based on the IFRS Taxonomy in a single electronic reporting format. The Company plans to prepare the financial statements for the year ended 31 December 2025 in the single electronic reporting format (iXBRL). Such financial statements will be generated through the conversion of the annual IFRS financial statements and will correspond to them in substance. The economic substance of the transactions is expected to remain unchanged; however, their presentation in the electronic format may differ in the level of detail and the manner of aggregation of information due to regulatory requirements and technical aspects of the preparation of electronic reporting.

3.2. Basis for measurement and preparation

These financial statements have been prepared on the basis of accrual and historical cost.

In practice, the substance of transactions and other circumstances and events does not always conform to the legal form. The Company arranged and maintains records and reflects business transactions and other events according to their substance and economic nature, not merely their legal form.

3.3. Reporting period

The reporting period for the preparation of the financial statements of the Company is a calendar year. The interim financial statements are prepared quarterly in a condensed format.

3.4. Functional and presentation currency

The functional currency of the Company is Ukrainian Hryvnia ("UAH"), being the currency of the environment in which all business transactions are performed. Operations in currencies other than the functional currency of the Company are considered to be transactions in foreign currencies.

The presentation currency of these financial statements is the Ukrainian Hryvnia. Amounts are presented in thousands of hryvnias (thousands of UAH), unless otherwise stated.

Transactions in foreign currency are translated into the presentation currency by converting the amount in foreign currency using the exchange rate at the beginning of the day at the date of transaction.

The Company recognizes exchange differences on monetary balances in foreign currency at the reporting date, as well as at the date of the transaction within the reporting period.

(in thousands of UAH, unless otherwise stated)

3. Basis of preparation *(continued)*

The exchange rate of UAH against the currencies in which the Company had balances and transactions in previous two years was as follows:

	As of 31.12.2025	Average for 2025	As of 31.12.2024	Average for 2024
UAH/ USD	42,3878	41,6891	42,0390	40,1521
UAH/ EUR	49,8565	47,0635	43,9266	43,4504

3.5. Significant judgements, accounting estimates and assumptions of management

Preparation of the financial statements in accordance with IFRS requires the management of the Company to make judgments, estimates and assumptions that affect the application of accounting policies, and the amounts of assets, liabilities, income and expenses recognized in the financial statements, and the disclosure of information about contingent assets and liabilities.

Management's estimates and assumptions are based on the information available at the date of preparation of the financial statements. Actual results can differ from the current estimates. These estimates and assumptions are reviewed periodically, and, if adjustments are necessary, such adjustments are presented in the statement of profit and loss in the period in which it became known about them. Information on the most significant accounting estimates and assumptions of the Company's management is presented below.

Impairment of property, plant and equipment
At each reporting date, the Company assesses whether there are indicators of possible impairment of a specific asset or group of assets forming a cash-generating unit. The evaluation of impairment of property, plant, and equipment requires the application of estimates which include determining the reason, time, and amount of impairment.

Estimation of impairment is based on a number of factors such as a change in the current competitive environment, expectations regarding industry growth, increase in the cost of capital, changes in future accessibility of financing, technological obsolescence, discontinuation of a certain type of activity, current replacement cost, and other changes in circumstances leading to recognition of impairment.

Useful lives of property, plant, and equipment
The Company estimates the remaining useful lives of property, plant, and equipment at the end of each financial year. If new expectations differ from previous estimates, these changes are considered to be a change in accounting estimates and are accounted for prospectively. These estimates can have a material influence on the carrying amount of property, plant, and equipment and a depreciation charge recognized in the statement of profit and loss.

Valuation of inventories
Inventories are measured at a lower of cost and net realizable value. In determining the net realizable value of its inventories, management makes an estimate based on various assumptions, including current market prices.

At each reporting date, the Company values its inventories and, if necessary, writes them down to their net realizable value. This assessment requires judgments regarding the expected future use or sale of inventories, which are based on information about inventory obsolescence and other relevant factors.

Determining lease term of contracts with renewal and termination option
The Company determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by a termination option if it is reasonably certain not to be exercised.

Incremental borrowing rate
In the absence of information about the interest rate implicit in the lease, the Company uses its incremental borrowing rate. For the purposes of these financial statements, the rates offered by the Company's banks at the dates of the inception/ modification of the lease were applied.

3. Basis of preparation *(continued)*

Related party transactions

In the ordinary course of business, the Company engages in transactions with related parties. IFRS 9 requires financial instruments to be accounted for at initial recognition at fair value. In the absence of an active market for transactions in such instruments, professional judgment is used to determine whether such transactions were carried out at market or non-market rates. The basis for such judgments includes the pricing of similar transactions with unrelated parties and the analysis of the effective interest rate.

Going concern assumption

In the near future, the Company will continue to be affected by the unstable economy in the country. As a result, there is uncertainty that may affect future operations and the ability to recover the value of the Company's assets, its ability to service and repay its liabilities as they fall due.

The Company's financial statements were prepared based on a going concern basis, which provides for the realization of assets and the settlement of liabilities in the normal course of business.

Therefore, these financial statements do not include any adjustments that might have been necessary if the Company were unable to continue as a going concern and if it did not realise of its assets or settle its liabilities in the ordinary course of business.

It is expected that the war will affect the Company's financial results, but it is impossible to make a reliable estimate of such an effect on the financial statements. Management does not intend to liquidate the Company or cease its operations and expects the Company to be able to operate for at least 12 months from the date of these financial statements.

The ongoing military invasion of Ukraine by the russian federation and the related extensive damage to energy facilities and infrastructure, economic challenges and a potential decline in business activity increase uncertainty, which adversely affects the forecast of financial results for the next year. These and other events and conditions, including those set out in Note 2 to the financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

3.6. Application of new and revised IFRS

The accounting policies used in the preparation of these financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective from 1 January 2025. The Company has not applied any other standard, interpretation or amendment that has been issued but was not yet effective.

Although these changes were applied for the first time in 2025, they did not have a material impact on the Company's financial statements. The nature and impact of each amendment is described below:

Standard/ Interpretation	Contents	Impact
Amendments to IAS 21	Lack of Exchangeability	None

4. Summary of significant accounting policies

These financial statements have been prepared in accordance with IFRS effective at the reporting date. The main principles of the accounting policy which have been used while preparing these financial statements are presented below.

Classification into non-current (long-term) and current (short-term)

The Company presents assets and liabilities in its statement of financial position based on the classification into non-current and current assets and long-term and short-term liabilities. The Company classifies an asset as current if:

- the asset is expected to be realized or the Company intends to sell or consume it during its normal operating cycle;
- the asset is held mainly for sale;
- the Company expects to sell the asset within twelve months after the reporting date;

4. Summary of significant accounting policies *(continued)*

- an asset is cash or cash equivalents unless there is a restriction on the exchange or use of that asset to repay a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

The Company classifies a liability as current (short-term) if:

- the Company expects to repay this liability during its normal operating cycle;
- the liability is held primarily for sale;
- the liability is repayable within twelve months after the reporting date;
- the Company has no unconditional right to defer repayment of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current (long-term).

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

Fair value measurement

Fair value measurement assumes that an asset or liability is exchanged between market participants in a normal sale of an asset or a transfer of a liability at the measurement date under current market conditions.

Fair value measurement assumes that the sale of an asset or the transfer of liability occurs either:
a) at the main market for that asset or liability; or
b) in the absence of the main market, the most favourable market for that asset or liability.

The main or most favourable market should be available to the Company.

The fair value of an asset or liability is measured using assumptions that market participants use in pricing the asset or liability assuming that they are acting in their economic interest.

The fair value measurement of a non-financial asset takes into account the ability of the market participant to generate economic benefits through the most profitable and best use of the asset or by selling it to another market participant who will use that asset in the most profitable and best way.

The Company uses valuation approaches that correspond to the circumstances and for which there is sufficient data to measure fair value, making maximum use of the input data from open sources of information and minimizing use of internally generated input data.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are classified within the fair value hierarchy described below based on the lowest level inputs that are important to the fair value measurement as a whole:

- Level 1 - quotation prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation methods for which input data (other than quotation prices classified as Level 1) can be observed for an asset or liability, directly or indirectly;
- Level 3 - valuation techniques for which the input data to the asset or liability is not publicly available.

Revenue recognition

The Company is engaged in the production and wholesale of ingredients for bread, confectionery and chocolate production in the domestic market of Ukraine, as well as for export.

The Company's contracts with buyers, as a rule, contain one performance obligation (sale of products) or two performance obligations (sale of products and its delivery). Revenue from contracts with customers is recognized when control over the goods or services has been transferred to the buyer in an amount that reflects the consideration, the Company expects to be entitled to in exchange for the goods or services provided to customers. The Company concluded that in most contracts it acts as a principal if it controls the goods and services until the transfer of its customers.

The following recognition criteria should be met before revenue is recognized:

4. Summary of significant accounting policies *(continued)*

Sale of products/goods
Sales revenue is recognized when control of an asset is transferred to the buyer, usually after the sale of the goods.

Revenue is recognized at the fair value of the consideration received, which is usually equal to the transaction price. If the transaction price, specified in the contract, includes a variable compensation, the Company should estimate the amount of compensation to which it will be entitled in exchange for the transfer of the promised goods to the customer.

Variable compensation is determined by the Company at the inception of the contract and is recognized only if there is a high probability that when the uncertainty associated with variable compensation is mainly resolved, a significant reversal in the amount of recognized cumulative revenue from ordinary activities will not take place.

Generally, the Company receives short-term advances from its customers, or sells goods on credit terms of 30 to 90 days. Using the practical expedient provided in IFRS 15, the Company does not adjust the promised amount of consideration for a significant financing component if it expects, at the inception of the contract, that the period between the transfer of the promised good or service to the customer and payment for the good or service is one year or less.

Variable consideration
Some sales contracts give customers the right to return products and/or bonuses, percentage discounts on the sales price of products depending on certain factors. The Company recognizes revenue from the sale of products measured at the fair value of the consideration received or receivable, less the amount of expected returns and discounts. If revenue cannot be estimated reliably, the Company defers revenue recognition until the uncertainty is resolved. Variable consideration is estimated at the time the contract is entered into and remains in place until the associated uncertainty is subsequently resolved.

Contract balances

Contract assets
A contract asset is a right to consideration in exchange for goods or services transferred to the customer. If the Company satisfies its performance obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Company has no contractual assets in the ordinary course of business, as control is generally transferred at the time the Company obtains an unconditional right to payment.

Trade receivables
At initial recognition the Company measures trade receivables at their transaction price if trade receivables do not contain a significant financing component in accordance with IFRS 15. After initial recognition, receivables are measured at amortized cost using the effective interest rate method, less allowance for expected credit losses.

The Company measures the expected credit loss allowance for trade receivables and contract assets in an amount equal to lifetime expected credit losses by using an allowance matrix. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. When a trade receivable or a contract asset is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company satisfies performance obligations.

4. Summary of significant accounting policies *(continued)*

Recognition of other income and expenses
Other income and expenses are recognized in the financial statements in the period in which they take place on an accrual basis and according to the matching concept irrespective of the date of cash receipt or payment.

Expenses are recognized as expenses of a certain period simultaneously with the recognition of income to generate which they are incurred. Expenses that cannot be directly attributed to income of a certain period are recognized in the reporting period in which they are incurred. If an asset generates economic benefits over several reporting periods, the related costs are recognized through systematic allocation of its value over the relevant reporting periods.

Taxes
Current income tax
Current income tax assets and liabilities for the period are measured at the amount expected to be recovered from or paid to the taxation authorities according to Ukrainian legislation.

The tax rates and tax laws used to compute the amount of tax are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

Deferred income tax
Deferred tax is recognised on all temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax benefits and unused tax losses carried forward to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax benefits and unused tax losses carried forward can be utilized, except:
- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025
(in thousands of UAH, unless otherwise stated)

4. Summary of significant accounting policies *(continued)*

Value Added Tax

Income, expenses, and assets are recognized net of value-added tax (VAT), except for the below cases:

- VAT that arises on purchase of assets or services that is not refunded by the tax authority; in this case VAT is recognized as part of cost of purchase of an asset or part of the expense item, depending on the circumstances;
- receivables and payables comprise the VAT amount.

Property, plant, and equipment

At initial recognition, property, plant and equipment are recognized at cost. The cost of property, plant and equipment consists of the cost of their acquisition, including non-refundable taxes, as well as any costs associated with bringing the assets into working condition and their delivery to the place of use. Replacements and improvements that significantly extend the useful lives of assets are capitalized, and maintenance costs are recognized as an expense as incurred.

After initial recognition, property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Construction in progress includes construction and reconstruction costs of property, plant and equipment and unfinished capital investments. At the reporting date, construction in progress is stated at cost less any accumulated impairment losses. Construction in progress is not depreciated until the asset is ready for use.

Property, plant and equipment are depreciated on a straight-line basis over their expected useful lives. Depreciation of an asset begins when it is ready-to-use, i.e., when it is delivered to the location of its use and brought into a ready-to-use condition, but not earlier than the month following the month in which the asset has been commissioned (inputted into operation).

Property, plant and equipment are classified into the following groups:

	Useful life, months
Buildings	240-360
Machinery and equipment	60
Transport vehicles	60
Fixtures and fittings and other fixed assets	48-60

The residual value, the useful life and depreciation method are reviewed and, if necessary, adjusted at the end of each financial year.

Intangible assets

Intangible assets acquired by the Company that have finite useful lives are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenses are capitalized only when they increase future economic benefits inherent to the particular assets to which they relate. All other expenses including goodwill and expenses for trademarks created by the Company are recognized in profit or loss in the period they were incurred.

Depreciation is charged on the cost of the asset less residual value. Depreciation is recognized in profit and loss using straight-line method over the estimated useful lives of intangible assets.

The estimated useful lives of intangible assets are as follows:

	Useful life
Intangible assets	3-10 years

The residual value, the useful life and depreciation method are reviewed and, if necessary, adjusted at the end of each financial year.

4. Summary of significant accounting policies *(continued)*

Impairment of assets

Assets with indefinite useful lives are not subject to depreciation and are tested for impairment annually.

Assets subject to depreciation and amortization are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be greater than its recoverable amount.

For the purpose of assessing impairment, assets are grouped into the smallest groups for which separately identifiable cash flows can be determined (cash-generating units).

An asset is impaired when its carrying amount exceeds its recoverable amount. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use.

Borrowing costs

Borrowing costs include interest expense and other borrowing costs. The Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognized by the Company as an expense in the period in which they are incurred.

Inventories

Inventories are initially recognised at acquisition cost, including costs incurred in bringing the inventories to their present location and condition. The inventories are written off under the weighted average cost method.

At the reporting date inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash in bank and short-term deposits with an original maturity of less than three months. The statement of cash flows is prepared using the direct method.

Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortized cost.

Except for trade and other receivables at initial recognition, the Company measures a financial asset at its fair value minus (in the case of a financial asset not at fair value through profit or loss) transaction costs that are directly attributable to the acquisition of the financial asset.

On initial recognition, the Company allocates financial assets to the respective category. Unless the Company changes its business model for managing financial assets, the Company does not change the category chosen on initial recognition.

Subsequent measurement

After initial recognition, a financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

The Company's financial assets at amortized cost comprise trade and other receivables, cash and cash equivalents.
The Company's financial assets at fair value through profit or loss include financial investments.

Trade and other receivables

The Company classifies trade and other receivables as financial assets at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and

4. Summary of significant accounting policies *(continued)*

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Impairment of financial assets
The Company recognises an allowance for expected credit losses for all debt instruments not at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Company applies a simplified approach to estimating the allowance for expected credit losses. Under this approach, the Company does not track changes in credit risk, instead the Company recognizes the lifetime expected credit losses of the financial asset at each reporting date. The Company uses an allowance matrix that takes into account the Company's historical credit loss experience adjusted for forecast information about debtors or changes in the economic environment.

The Company believes that the default of a financial asset takes place when the contractual cash flows are overdue for 180 days or more. However, in certain cases, the Company may recognize a default on a financial asset when available internal or external information indicates that the Company will not receive an outstanding portion of the contract amount in full without taking into account the available credit enhancement. If the Company has no reasonable expectation that it will receive contractual cash flows from a financial asset, the asset is derecognised.

Derecognition
A financial asset (or a part of a financial asset, if applicable) is derecognised when:
a) the contractual rights to receive cash flows from the asset have expired;
b) the Company retains the contractual rights to receive the cash flows of a financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients without material delay under a 'pass-through' arrangement; and either
    i) the Company has transferred substantially all the risks and rewards of the asset, or
    ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In this case the relevant commitment for payment of received cash to the final recipient is retained.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has created or retained.

Financial liabilities
Initial recognition and measurement
Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, or as other financial liabilities which are recognised at amortised cost using the effective interest rate method.

The Company measures a financial liability at its fair value plus (in the case of a financial liability not at fair value through profit or loss) transaction costs that are directly attributable to the issue of the financial liability.

On initial recognition of financial liabilities, the Company allocates them to a respective category. Subsequent reclassification of financial liabilities is not allowed.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

4. Summary of significant accounting policies *(continued)*

Subsequent measurement
The influence of the classification of financial liabilities in case of their initial recognition on their subsequent measurement is described as follows:

Loans and borrowings and trade and other payables
Loans and borrowings and trade and other payables are the most relevant category of financial liabilities to the Company.

After initial recognition, loans and payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discounts or premiums on acquisition and fees or costs that are an integral part of the IER. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Derecognition
A financial liability (or part of it) is extinguished when the debtor either:
i) discharges the liability (or part of it) by paying the creditor, normally with cash, other financial assets, goods or services; or
ii) is legally released from primary responsibility for the liability (or part of it) either by process of law or by the creditor. (If the debtor has given a guarantee this condition may still be met).

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Provisions
The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

If the Company expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset but only when this reimbursement becomes probable. The amount of declared reimbursement should not exceed the amount of the provision recognized. The expense relating to any provision is recognized in the statement of comprehensive income net of any reimbursement.

In cases when the influence of the time value of money is significant, the amount of the provision has to be the present value of expenditures which, as expected, will be necessary to repay the liability. The pre-tax discount has to reflect current market estimates of the time value of money and risks attributable to the liability. If the discounting is used, the increase in the amount of the provision in the subsequent periods is recognized as financial expenses in the statement of comprehensive income.

Leases
The Company as a lessee
The Company assesses whether a contract is or contains a lease, at the inception of the contract.

The Company recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments.

In respect of short-term leases (12 months or less) and leases of low-value assets, the Company recognizes respective lease expenses within operating expenses on a straight-line basis over the lease term in accordance with the requirements of IFRS 16.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

4. Summary of significant accounting policies *(continued)*

The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with similar collateral the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. After initial recognition, a lease liability is increased by the interest accrued on the liability (using the effective interest method) and decreased by lease payments made. The Company recognises interest on lease liabilities within interest expenses in the statement of profit or loss.

At the date of commencement of the lease, Company measures right-of-use asset at a cost which consists of:
a) the amount of the initial measurement of the lease liabilities,
b) any lease payments made on or before the lease date, less incentives received to rent,
c) any initial direct costs incurred by the Company,
d) estimates of the costs to be incurred by the Company in dismantling and relocating the underlying asset, restoring its location or restoring the underlying asset to the condition required by the lease, unless such costs are incurred to produce inventories.

The Company recognizes depreciation of the right-of-use assets and interest on lease liability in profit or loss. The Company depreciates the right-of-use asset starting from the date of commencement of the lease over the shorter of their useful life or the lease term.

The Company presents its right-of-use assets within respective group of property, plant and equipment.
The Company applies IAS 36 to determine whether a right-of-use asset is impaired and recognizes any resulting impairment loss.

Dividends
The Company recognizes a liability to pay dividends to a participant when it is approved by the members of the Company.

Pension plan liabilities
With the exception of contributions to the State pension system of Ukraine, the Company has no other pension schemes. The general State pension system requires employers to make current contributions calculated as a percentage of employees' gross wages; such costs are included in profit or loss in the period in which the respective compensation was earned by the employee. The Company has no obligation to make post-retirement or significant other compensatory payments that require accruals.

Contingent liabilities and contingent assets
Contingent liabilities are not recognised in the financial statements unless there is the possibility of an outflow of resources embodying economic benefits to repay the liability and a reliable estimate of such liabilities can be made. The information on contingent liabilities is disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but they are disclosed when an inflow of economic benefits is possible. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements in the period in which the change occurs.

Transactions with related parties
The parties are considered to be related if one party has a possibility to control the other party or influence it significantly when making financial or operational decisions. This definition of a related party may differ from the one under the Ukrainian legislation.

As defined by IAS 24 "Related party disclosures" related parties represent:
a) A person or a close member of that person's family is related to a reporting entity if that person:
   i) has control or joint control over the reporting entity;
   i) has significant influence over the reporting entity; or
   ii) is a member of the key management of the reporting entity or of a parent of the reporting entity.
b) An entity is related to a reporting entity if any of the following conditions apply:
   i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(in thousands of UAH, unless otherwise stated)

4. Summary of significant accounting policies *(continued)*

ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
iii) both entities are joint ventures of the same third party;
iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
vi) the entity is controlled or jointly controlled by a person identified in (a);
vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Reporting segments

An operating segment is a component of a Company:
a) engaged in an economic activity from which it can earn income and bear costs (including income and expenses related to transactions with other components of the Company);
b) the operating results of which are regularly reviewed by the Company's senior operating officer to decide on the resources to be allocated to the segment and to evaluate the results of its operations; and
c) about which discrete financial information is available.

The Company does not believe that there are operating segments in its operations that meet most of the criteria set out in IFRS 8 Operating Segments.

Events after reporting date

Events that occur after the reporting date and prior to the date of approval of the financial statements for issue which provide additional evidence regarding the financial statements of the Company, are reflected in the financial statements.

Events that occur after the reporting date and before the date of approval of the financial statements which indicate conditions arising after the reporting period and do not affect the financial statements of the Company as of the reporting date, are disclosed in notes to the financial statements if they are significant.

5. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

Standard/ Interpretation	Contents	Effective date	Probable impact
Amendments to IFRS 9 and IAS 7	Classification and measurement of financial instruments	1 January 2026	Insignificant
Annual Improvements to IFRS Accounting Standards	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026	None
Amendments to IFRS 9 and IFRS 7	Classification and measurement of contracts for renewable electricity, which depend on nature-dependent variables	1 January 2026	None
IFRS 18	Presentation and disclosure in financial statements	1 January 2027	Not yet determined
IFRS 19	Disclosure of information in the financial statements of non-public subsidiaries	1 January 2027	None
Amendments to IAS 21	Translation of financial statements into the currency of a hyperinflationary economy	1 January 2027	None
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective date not yet determined	None

The Company does not intend to early adopt any standards or amendments to standards that are not yet mandatory.

(in thousands of UAH, unless otherwise stated)

6. Intangible assets

The following table presents the movements of intangible assets for 2025 and 2024:

	Intangible assets
Cost	
As of 31 December 2023	**5 554**
Additions	5
Disposals	-
As of 31 December 2024	**5 559**
Additions	27
Disposals	(89)
As of 31 December 2025	**5 497**
Accumulated amortization	
As of 31 December 2023	**4 021**
Charge for the period	679
Disposals	-
As of 31 December 2024	**4 700**
Charge for the period	554
Disposals	(88)
As of 31 December 2025	**5 166**
Carrying amount	
As of 31 December 2023	**1 533**
As of 31 December 2024	**859**
As of 31 December 2025	**331**

As of 31 December 2025 and 31 December 2024, intangible assets were mainly represented by capitalized costs for commercial software, licenses. Amortization of intangible assets is mainly included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025
(in thousands of UAH, unless otherwise stated)

7. Property, plant and equipment

The following table presents movements of property, plant and equipment (PPE) for the years ended 31 December 2025 and 31 December 2024:

	Buildings	Machinery and equipment	Transport vehicles	Fixtures and fittings	Other fixed assets	Total
Cost						
As of 31 December 2023	**97 423**	**104 455**	**8 023**	**11 998**	**12 535**	**234 434**
Additions	1 525	5 878	7 688	557	-	15 648
Disposals	-	(731)	(2 673)	(52)	-	(3 456)
As of 31 December 2024	**98 948**	**109 602**	**13 038**	**12 503**	**12 535**	**246 626**
Additions	160	3 727	9 673	2 971	-	16 531
Disposals	-	(89)	-	-	(144)	(233)
Other changes	-	(291)	-	(34)	-	(325)
As of 31 December 2025	**99 108**	**112 949**	**22 711**	**15 440**	**12 391**	**262 599**
Accumulated depreciation						
As of 31 December 2023	**24 394**	**66 586**	**7 776**	**10 418**	**6 761**	**115 935**
Charge for the period	5 329	12 092	1 810	819	1 064	21 114
Disposals	-	(687)	(2 673)	(48)	-	(3 408)
As of 31 December 2024	**29 723**	**77 991**	**6 913**	**11 189**	**7 825**	**133 641**
Charge for the period	5 388	12 420	4 145	645	1 055	23 653
Disposals	-	(89)	-	-	(99)	(188)
Other changes	-	(291)	-	(34)	-	(325)
As of 31 December 2025	**35 111**	**90 031**	**11 058**	**11 800**	**8 781**	**156 781**
Carrying amount						
As of 31 December 2023	**73 029**	**37 869**	**247**	**1 580**	**5 774**	**118 499**
As of 31 December 2024	**69 225**	**31 611**	**6 125**	**1 314**	**4 710**	**112 985**
As of 31 December 2025	**63 997**	**22 918**	**11 653**	**3 640**	**3 610**	**105 818**

Additions for the year are represented by assets transferred from construction-in-progress.

As of 31 December 2025, property, plant and equipment with cost of UAH 31 303 thousand were fully depreciated, but still in use (31 December 2024: UAH 26 097 thousand).

(in thousands of UAH, unless otherwise stated)

7. Property, plant and equipment *(continued)*

Leases

Property, plant and equipment include right-of-use assets in accordance with IFRS 16 Leases.

The Company rents premises for office and production needs. The contract was extended in 2019 and as of 31 December 2025, the remaining lease term was 11 years.

In 2025, the Company entered into lease agreements for 11 cars for a period of 4 years to meet the needs of administrative and sales personnel.

The following is the carrying amount the Company's right-of-use assets and lease liabilities as of 31 December 2025 and 2024, and movement for the period:

	Buildings	Transport vehicles	Total
Right-of-use assets			
As of 31 December 2023	**59 240**	-	**59 240**
Initial recognition	-	7 688	7 688
Depreciation charge	(4 109)	(1 705)	(5 814)
As of 31 December 2024	**55 131**	**5 983**	**61 114**
Initial recognition	-	9 172	9 172
Depreciation charge	(4 109)	(3 970)	(8 079)
As of 31 December 2025	**51 022**	**11 185**	**62 207**

Right-of-use assets are reported in line 1010 "Property, plant and equipment" of the statement of financial position and presented in the respective group of property, plant and equipment.

	Short-term lease liabilities	Long-term lease liabilities	Total
Lease liabilities			
As of 31 December 2023	**2 045**	**69 515**	**71 560**
Initial recognition	-	7 688	**7 688**
Financial expenses	10 367	-	**10 367**
Lease payments	(13 718)	-	**(13 718)**
Reclassification due to maturity of debt	5 313	(5 313)	-
As of 31 December 2024	**4 007**	**71 890**	**75 897**
Initial recognition	-	9 298	9 298
Financial expenses	11 823	-	11 823
Lease payments	(17 436)	-	(17 436)
Reclassification due to maturity of debt	8 277	(8 277)	-
As of 31 December 2025	**6 671**	**72 911**	**79 582**

The long-term portion of lease liabilities is presented in line 1515 "Other long-term liabilities", and the short-term portion - in line 1610 "Current payables for long-term liabilities".

Reconciliation of lease liabilities to future minimum lease payments is provided below:

	31.12.2025	31.12.2024
Future minimum lease payments, including:		
up to 1 year	15 956	12 869
from 1 to 5 years	50 578	46 516
more than 5 years	76 796	86 182
Less: future interest leases payments	(63 748)	(69 670)
	79 582	**75 897**

(in thousands of UAH, unless otherwise stated)

8. Construction-in-progress

	31.12.2025	31.12.2024
Prepayments for non-current assets	12 024	338
Not commissioned non-current assets	2 806	674
	14 830	**1 012**

9. Inventories

	31.12.2025	31.12.2024
Raw materials	75 271	46 991
Merchandise in stock	62 059	42 860
Finished goods	20 337	32 956
Package and materials for packaging	4 808	4 092
Spare parts	213	592
Semi-finished goods	738	1 597
Other inventories	-	-
Allowance for impairment	(1 130)	(719)
	162 296	**128 369**

10. Trade receivables

	31.12.2025	31.12.2024
Trade receivables due from local customers	53 312	36 303
Trade receivables due from foreign customers	136	-
	53 448	**36 303**

As at 31 December 2025, trade and other receivables were interest-free and repayable in the ordinary course of business of the Company.

As at the reporting date, a part of receivables was transferred to the Bank under a factoring agreement with the right of claim against third parties. The transfer did not affect the valuation of the receivables, as they were neither past due nor impaired at the reporting date.

The Company applies the simplified approach to the allowance for expected credit losses, provided by IFRS 9, which requires recognising lifetime expected credit losses for all assets classified as "Trade and other receivables"

To estimate the expected credit losses, trade and other receivables are grouped based on similar characteristics of credit risk and the number of days past due. Expected credit loss rates are determined using historical payment patterns and credit loss experience for 12 months period preceding each reporting date.

Historical loss levels are adjusted for current and projected information about macroeconomic factors that affect customers' ability to repay receivables. Allowance for expected credit losses for trade and other receivables is determined using the allowance matrix, which is shown in the table below. The allowance matrix is based on the number of days overdue concerning every specific asset.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025
(in thousands of UAH, unless otherwise stated)

10. Trade receivables *(continued)*

The analysis of trade and other receivables by maturity as of 31 December 2025 is presented below:

	Total	Neither past due nor impaired	Past due				
			up to 30 days	31-90 days	91-180 days	181-365 days	over 365 days
Nominal value	**53 448**	52 475	973	-	-	-	-
Expected loss rate	-	-	0-5%	0-10%	50%	100%	100%
Expected credit losses	-	-	-	-	-	-	-

The analysis of trade and other receivables by maturity as of 31 December 2024 is presented below:

	Total	Neither past due nor impaired	Past due				
			up to 30 days	31-90 days	91-180 days	181-365 days	over 365 days
Nominal value	**36 303**	34 928	1 375	-	-	-	-
Expected loss rate	-	-	0-5%	0-10%	50%	100%	100%
Expected credit losses	-	-	-	-	-	-	-

11. Financial investments

As of 31 December 2025 and 31 December 2024, the Company held Ukrainian domestic government bonds denominated in Euro issued by the Ministry of Finance of Ukraine. These financial instruments are classified as financial assets measured at fair value through profit or loss.

In 2024, the Company purchased 1 085 units of domestic government bonds with a maturity period of up to one year. As at 31 December 2024, the carrying amount of these bonds totalling UAH 46 654 thousand was recognised in the line "Current financial investments".

Following the redemption of the above-mentioned bonds, the Company purchased new 1 085 units of domestic government bonds with maturity of 25 February 2027. As at 31 December 2025, the carrying amount of these bonds totalling UAH 54 145 thousand was recognised in the line "Other financial investments".

The relevant information is provided below:

	31.12.2025	31.12.2024
Domestic government bonds	52 573	46 224
Accrued income on domestic government bonds	1 572	430
	54 145	**46 654**

(in thousands of UAH, unless otherwise stated)

11. Financial investments (continued)

The movement of domestic government bonds and accrued income on domestic government bonds is presented below:

	Domestic government bonds	Accrued income on domestic government bonds	Total
As of 31 December 2023	**40 759**	**334**	**41 093**
Purchase of bonds	48 415	-	48 415
Exchange rate differences	977	73	1 049
Accrued coupon income	-	1 358	1 358
Repayment	(43 927)	(1 335)	(45 262)
As of 31 December 2024	**46 224**	**430**	**46 654**
Purchase of bonds	52 375	-	52 375
Exchange rate differences	5 033	766	5 799
Accrued coupon income	-	1 617	1 617
Repayment	(50 807)	(1 493)	(52 300)
As of 31 December 2025	**52 825**	**1 320**	**54 145**

Accrued coupon income is presented in line 2220 "Other finance income" for 2025 in the amount of UAH 1 617 thousand (for 2024: UAH 1 358 thousand).

12. Cash and cash equivalents

As of 31 December, cash and cash equivalents were presented as follows:

	31.12.2025	31.12.2024
Cash in bank in local currency	49 869	48 265
Cash in bank in foreign currency	236	-
	50 105	**48 265**

As of 31 December, cash in bank was denominated in the following currencies:

	31.12.2025	31.12.2024
UAH	49 869	48 265
EUR	236	-
	50 105	**48 265**

For cash and cash equivalents, expected credit losses were assessed on the basis of external credit ratings and statistical information on non-performance and repayment of such financial instruments.

In assessing whether cash and cash equivalents are impaired, the Company considers the following factors:
- significant financial difficulties of the bank;
- breach of contract, such as default or late payment for the contract for more than a few days;
- bankruptcy or other financial reorganization of the bank becomes probable.

13. Authorized capital

As of 31 December 2025, the declared, registered and fully paid authorized capital amounted to UAH 159 912 thousand (31.12.2024: UAH 159 912 thousand). As of the reporting date, the authorized capital of the Company belonged to the owners listed in the table below:

	31.12.2025, %	31.12.2024, %
PURATOS NV, Belgium	100	100

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025
(in thousands of UAH, unless otherwise stated)

14. Long-term provisions

Long-term provisions for payments to employees:

	2025	2024
As of 1 January	**1 753**	**1 585**
Accrued during period	982	818
Used during period	(538)	(650)
As of 31 December	**2 197**	**1 753**

The Company has a long-term bonus program that provides for payments based on the achievement of certain targets. The expected term of fulfillment of obligations under this program by the employees is up to five years.

15. Trade payables

	31.12.2025	31.12.2024
Payables for goods and services	123 730	56 423
Other payables	13 220	15 962
Payables for property, plant and equipment	12 024	338
	148 974	**72 723**

Trade payables are mainly represented by liabilities for the delivered goods. Trade payables are unsecured financial liabilities. Payable due to Ukrainian counterparties are usually repaid within 60-100 days after recognition. The fair value of trade payables is approximately equal to their carrying amount.

Other accounts payable include liabilities to financial institutions under reverse factoring agreements, where the Company's trade accounts payable to suppliers are settled by a financial intermediary. Liabilities are classified as other accounts payable as the legal counterparty changes, but the underlying liability arises from the purchase of goods or services and retains its trade nature in essence.

16. Current provisions

As of 31 December, current provisions included:

	31.12.2025	31.12.2024
Provisions for bonuses to employees	4 108	10 383
Provision for unused vacations	2 994	3 639
	7 102	**14 022**

Movements in provision for bonuses accrued to employees are presented below:

	2025	2024
As of 1 January	**10 383**	**9 099**
Accrued	6 856	10 536
Used	(13 131)	(9 252)
As of 31 December	**4 108**	**10 383**

Movements in provision for unused vacations for the period was as follows:

	2025	2024
As of 1 January	**3 639**	**2 782**
Accrued	6 412	5 834
Used	(7 057)	(4 977)
As of 31 December	**2 994**	**3 639**

The expected timing of settlement of the Company’s provisions is as follows:

- Provision for unused vacations – within one year;
- Provision for year-end bonuses – within one year;

(in thousands of UAH, unless otherwise stated)

17. Revenue

	2025	2024
Revenue from sales of finished goods	625 329	576 554
Revenue from sales of merchandise	313 990	323 176
	939 319	**899 730**

18. Cost of sales

	2025	2024
Cost of finished goods sold	491 443	468 415
Cost of merchandise sold	251 002	232 166
	742 445	**700 581**

Cost of finished goods sold by nature of expenses in the reporting is as follows:

	2025	2024
Raw materials	437 212	401 722
Salaries and related charges	30 751	29 616
Depreciation and amortization	16 081	15 736
Other expenses	7 399	21 341
	491 443	**468 415**

19. Other operating income

	2025	2024
Income from accrued interest on cash balances	3 188	6 462
Income from the sale of waste	129	1
Exchange rate difference	-	870
Other operating income	315	438
	3 632	**7 771**

20. Administrative expenses

	2025	2024
Salaries and related charges	10 096	11 441
IT services	3 658	2 747
Professional fees	3 169	3 607
Bank services	3 112	2 848
Depreciation and amortization	1 661	1 599
Insurance	961	1 310
Security	907	1 010
Material costs	294	233
Other staff costs	54	135
Other expenses	110	1 192
	24 022	**26 122**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025
(in thousands of UAH, unless otherwise stated)

21. Selling expenses

	2025	2024
Salaries and related charges	44 952	43 221
Delivery expenses	9 759	9 510
IT services	9 036	7 438
External services	8 129	8 556
Depreciation and amortization	6 465	4 458
Market intelligence	5 553	521
Material expenses	3 395	3 967
Fuel	3 048	2 452
Other staff costs	2 582	3 820
Fixed assets repairs and maintenance	598	845
Customer seminars	441	663
Other expenses	3 337	2 749
	97 295	**88 200**

22. Other operating expenses

	2025	2024
Research costs	10 830	9 901
Royalty	8 529	14 514
Expenses from buying and selling of foreign currency	6 710	2 225
Expenditure on information and communication technologies	4 508	3 691
Exchange rate difference	1 702	-
Inventory impairment charges	411	11 672
Other expenses	3 228	628
	35 918	**42 631**

The Company pays royalties to the parent company Puratos NV for the right to use the trademark and technology.

23. Financial expenses

	2025	2024
Interest on lease liabilities	11 823	10 367
Factoring charges (Note 10,15)	3 294	2 692
	15 117	**13 059**

24. Income tax

The components of income tax expense consisted of:

	2025	2024
Current income tax expense	6 568	7 125
Deferred income tax expense(income)	(73)	9
	6 495	**7 134**

(in thousands of UAH, unless otherwise stated)

24. Income tax *(continued)*

The reconciliation of income tax expense / (benefit) and the product of result before income tax multiplied by the applicable tax rate for 2025 and 2024 is presented below:

	2025	2024
Profit / (loss) before tax	35 907	39 360
Income tax at tax rate applicable in Ukraine, 18%	6 463	7 085
Expenses / (income) not considered for income tax purposes	32	49
Income tax expense	**6 495**	**7 134**

As of the reporting dates the deferred tax assets of the Company were as follows:

	31 December 2025	Statement of profit and loss Origination and reversal of temporary differences	1 January 2025
Deferred tax assets			
Provisions	203	73	130
Net deferred tax assets / (liabilities)	**203**	**73**	**130**

	31 December 2024	Statement of profit and loss Origination and reversal of temporary differences	1 January 2024
Deferred tax assets			
Provisions	130	(9)	139
Net deferred tax assets / (liabilities)	**130**	**(9)**	**139**

As of the reporting dates presented in these financial statements, deferred taxes were calculated at the rates expected to be effective in the period of realization of the deferred tax asset or settlement of the deferred tax liability.

25. Additional information to the statement of cash flows

Cash flow from operating activities, other payments

	2025	2024
Bank commission	2 919	2 647
Settlements with accountable persons	475	642
Costs of purchase and sale	109	727
Other payments	4	3
	3 507	**4 019**

Cash flows from financing activities, other payments

	2025	2024
Interest paid	11 823	12 255
Lease principal payments	5 613	1 463
	17 436	**13 718**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025
(in thousands of UAH, unless otherwise stated)

26. Transactions with related parties

For the purposes of these financial statements, the parties are considered related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions. When considering the relationship with each possible related party, attention is paid to the nature of the relationship, rather than its legal form.

Related parties may enter into transactions that are not always available to unrelated parties, and the terms and amounts of such transactions may differ from those that would apply in transactions between unrelated parties.

The Company's management (2 persons) received the following compensation for the years ended 31 December, which is included in the salary and related charges in administrative expenses:

	2025	**2024**
Salaries and related charges	9 599	8 510

The Company had the following balances with the parent company:

	31.12.2025	**31.12.2024**
Trade payables	105 280	20 769

The Company had the following balances with entities under common control:

	31.12.2025	**31.12.2024**
Lease liabilities	67 219	69 515
Trade payables	1 249	3 162
Trade receivables	150	16

The Company had the following transactions with the parent company:

	2025	**2024**
Purchase of goods, services, technologies	269 230	335 179
Royalty paid	8 529	14 514

The Company had the following transactions with entities under common control:

	2025	**2024**
Purchase of goods and services	20 767	31 765
Revenue	1 652	3 585

Puratos Ukraine Charitable Foundation for the Restoration of the Bread Industry began its activities in 2022 and was operating as of the reporting date.

Other transactions with related parties
The Company leases the building from related parties and accounts for the leases in accordance with IFRS 16. In 2025, the Company recognized the depreciation of the right-of-use assets in the amount of UAH 4 109 thousand (2024: UAH 4 109 thousand). Interest expenses were recognized in the amount of UAH 9 371 thousand (2024: UAH 9 139 thousand).

Terms of agreements with related parties
Transactions with related parties are conducted on market terms. Balances at the end of the year are unsecured, interest-free and are repaid in cash. The Company has not received (provided) any collateral or guarantees in respect of receivables or payables of related parties. For the year ended 31 December 2025, the Company did not record any impairment of receivables due from related parties.

(in thousands of UAH, unless otherwise stated)

27. Contingent and contractual liabilities

Taxation

Management believes that the Company has complied with all applicable tax legislation.

Legal issues

In the ordinary course of business, the Company is subject to legal proceedings and certain claims are filed against it. In the opinion of the Company's management, the ultimate liability, if any, for such cases or claims will not have a material effect on the financial position or performance of the Company. As of 31 December 2025, and 2024, no significant claims have been filed against the Company.

28. Fair value of financial instruments

Fair value disclosures in respect of financial instruments are made in accordance with the requirements of IFRS 7 "Financial Instruments: Disclosure" and IFRS 13 "Fair value measurement". Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. Since no readily available market exists for a large part of the Company's financial instruments, judgment is necessary in arriving at fair value based on current economic conditions and specific risks attributable to the instrument. The management believes that the Company's financial assets and financial liabilities are categorized within the Level 3 of fair value hierarchy, except for current financial investments which belong to the 1st level of the hierarchy.

The Company's management believes that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximates their fair value.

The main categories of financial instruments

The main categories of financial instruments of the Company at their carrying values are as follows:

	31.12.2025	31.12.2024
Financial assets		
Trade receivables	53 448	36 303
Other receivables	16	4 858
Cash and cash equivalents	50 105	48 265
Other financial investments	54 145	-
Current financial investments	-	46 654
	157 714	**136 080**
Financial liabilities		
Lease liabilities	79 582	75 897
Trade payables	148 974	72 723
	228 556	**148 620**

During 2025 and 2024, there were no transfers between levels of the fair value hierarchy.

29. Financial risk management

The main risks inherent to the Company's financial instruments are credit risk (including concentration risk), liquidity risk and foreign currency risk. The Company's risk management policy focuses on the unpredictability of financial markets and aims to minimize potential negative consequences. The Company's approaches to managing each of these risks are set out below.

(in thousands of UAH, unless otherwise stated)

29. Financial risk management *(continued)*

Credit and concentration risks

The Company faces credit risk that is determined as the risk that a customer may fail to fully repay its debt at its maturity. Financial assets that potentially expose the Company to material credit risk are trade and other receivables, cash and cash equivalents, current financial investments, other financial investments.

The maximum level of credit risk of the Company, as a whole, is represented in the carrying amount of financial assets, which is stated in the statement of financial position. The impact of possible offsets of assets and liabilities on the reduction of potential credit risk is insignificant.

Revenue from five largest customers accounted for 54% of the total revenue (2024: 50%). The balance of receivables of the five largest customers as of 31 December 2025 was 98% of the total balance of trade receivables (31 December 2024: 90%).

The average credit period for customers was: 2025 – 17 days, 2024 – 10 days.

The Company's credit risk management policy is aimed at conducting operations with contractors that have a positive reputation and credit history. The Company's cash and cash equivalents are mainly placed with leading Ukrainian banks with a solid reputation. In addition, receivables are constantly monitored in order to identify and respond in a timely manner to any deterioration in the liquidity or creditworthiness of the Company's counterparties.

Liquidity risk

Liquidity risk is the risk that the Company may face difficulties while repaying its financial liabilities. The level of this risk level increases when the maturity of assets and liabilities do not match, i.e., when the maturity of financial assets exceeds the maturity of financial liabilities.

The task of the Company's management is to keep balance between continual financing and sufficient cash and other highly liquid assets, and to keep a proper level of liabilities to suppliers and banks.

The Company analyses financial liabilities in terms of their maturities and plans its liquidity depending on the expected settlement dates of the respective financial instruments.

The following table details the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities using the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows as of 31 December 2025 and 2024. The amounts in the table may not be equal to the statement of financial position carrying amounts since the table includes all cash outflows on an undiscounted basis.

31.12.2025	**Carrying amount**	**On demand**	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Lease liabilities	79 582	-	3 989	11 967	50 578	76 796	**143 330**
Trade payables	148 974	-	148 974	-	-	-	**148 974**
	228 556	**-**	**152 963**	**11 967**	**50 578**	**76 796**	**292 304**

31.12.2024	**Carrying amount**	**On demand**	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Lease liabilities	75 897	-	3 217	9 652	46 516	86 182	**145 567**
Trade payables	72 723	-	72 723	-	-	-	**72 723**
	148 620	**-**	**75 940**	**9 652**	**46 516**	**86 182**	**218 290**

Foreign currency risk

The Company's currency risk arises mainly from accounts payable due to foreign suppliers denominated in foreign currencies.

(in thousands of UAH, unless otherwise stated)

29. Financial risk management *(continued)*

The Company's foreign exchange risk management procedures include constant monitoring of exchange rate dynamics on the local and international foreign currency exchange markets.

The table below shows the concentration of foreign currency risk as at the reporting dates presented in these financial statements:

31.12.2025	**EUR**
Financial assets	
Cash and cash equivalents	236
Trade receivables	136
Financial liabilities	
Trade payables	(107 114)
	(106 742)

31.12.2024	**EUR**
Financial liabilities	-
Trade payables	(23 429)
	(23 429)

The table below shows the sensitivity analysis of financial result before tax of the Company to probable change in foreign currency exchange rates, provided all other variables remain stable.

	Increase (decrease) in the exchange rate, %	**Effect on profit (loss) before tax**
31.12.2025		
EUR	20	(21 348)
EUR	(5)	5 337
31.12.2024		
EUR	20	(4 686)
EUR	(5)	1 171

Capital management

The Company considers debt and authorized capital as the main sources of its capital. The management's objectives in managing capital are to ensure the Company's ability to continue as a going concern, to generate income for the owners and benefits for other stakeholders, and to ensure financing of its operating needs, investments, and development strategy. The Company's capital management policy is aimed at maintaining an optimal capital structure in order to decrease overall cost of capital and ensure flexibility in accessing capital markets.

The Company's management continuously monitors the capital structure and may adjust its capital management policy and objectives in response to changes in the operating environment, market conditions, and the Company's development strategy. During the reporting period presented in these financial statements there were no changes in the Company's capital management objectives or policies.

The Company monitors capital using the leverage ratio which is calculated as net debt divided by the sum of equity and net debt. Net debt comprises lease liabilities, trade and other payables, provisions, less cash and cash equivalents. Equity includes all components of equity.

(in thousands of UAH, unless otherwise stated)

29. Financial risk management *(continued)*

	31 December 2025	31 December 2024
Lease liabilities	79 582	75 897
Trade payables	148 974	72 723
Payables for insurance	-	241
Payables to employees	-	1 567
Other current liabilities	1	9
Less: cash and cash equivalents	(50 105)	(48 265)
Net debt	**178 452**	**102 172**
Equity	246 324	216 912
Equity and net debt	**424 776**	**319 084**
Financial leverage ratio	**42%**	**32%**

Operating risk

Operating risk is the risk arising from deficiencies in the Company's information technology and system management, and from the human factors. The Company's systems are evaluated, maintained and upgraded continuously.

30. Events after the reporting date

On 2 February 2026, the Company received an interest-free repayable financial assistance from a related party, PE "Birhuz", in the amount of UAH 15 000 thousand with a maturity date of 31 January 2027. The received financing will support the Company's liquidity and operating activities.

Except for the events described above, no significant events occurred after the reporting date and up to the date of approval of these financial statements that would require disclosure or provide additional information regarding the Company's financial position or results of operations and that would need to be reflected in the financial statements.

40 sheets bound

ТОВАРИСТВО З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ "НЕКСІЯ ДК АУДИТ" * УКРАЇНА * 32409677

LIMITED LIABILITY COMPANY

Nexia DK Audit

Nexia DK