

**CHARITY ORGANIZATION “SUPPORT
FUND FOR BUCHA SCHOOL”**

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED DECEMBER 31, 2023**

**TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT**

INDEPENDENT AUDITORS' REPORT

To the Founders and Management of CHARITY ORGANIZATION SUPPORT
FUND FOR BUCHA SCHOOL

Report on the audit of financial statements

Opinion

We have audited the financial statements of the CHARITY ORGANIZATION SUPPORT FUND FOR BUCHA SCHOOL (THE FUND), which comprise:

- Statement of financial position as at December 31, 2023;
- Statement of comprehensive income, statement of changes in net assets and statement of cash flows 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 Fund as of December 31, 2023, its financial performance and cash flows for the year then ended, in accordance with the principal accounting policies set out in Note 4, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

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 Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and ethical requirements applied in Ukraine to our audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Notes 2 and 3 to these financial statements, which describe events and conditions that have arisen due to the military invasion of Ukraine by the Russian Federation on February 24, 2022, and is ongoing, the effects of which on the Fund's operations are unpredictable.

As discussed in Note 3, these events or conditions together with other matters described in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Responsibility of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of the 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 Fund'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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Fund'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 Fund 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 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.

Auditor's responsibility for the audit of the financial statements

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

The audit was performed under the supervision of the Head of the Audit Department, Chernovol Vadym M.

Head of the Audit Department



V.M. Chernovol

Number of Registration in the Register of Auditors and Audit Companies: 101536

For and on behalf of BDO LLC



Director, Key Audit Partner

S.O. Balchenko

Number of Registration in the Register of Auditors and Audit Companies: 101086

Kyiv, June 28, 2024

Limited liability company BDO. Identification code under EDRPOU: 20197074. Number of Registration in the Register of Auditors and Audit Companies: 2868. Legal address: 4, Andriia Fabra Street, Dnipro, 49070. Tel: 044 393-26-87.

BDO LLC is included in the Register of auditors and audit entities in section 4 "Audit entities that have right to perform statutory audits of financial statements of public interest entities". Link to the Register: <https://www.apu.com.ua/subjekty-audytorskoi-dijalnosti-jaki-majut-pravo-provodyty-obovjazkovyj-audit-finansovoi-zvitnosti-pidpryjemstv-shho-stanovljat-suspilnyj-interes/>

Statement of management's responsibility for the preparation and approval of the financial statements

As at 31 December 2023

The following statement, is made with a view to distinguish the respective responsibilities of the management and those of the independent auditors in relation to the financial statements of the Charity Organization “Support Fund For Bucha School” (here in after, “the Support Fund”).

The Support Fund's management is responsible for the preparation of the financial statements that present fairly, in all material respects, the financial position of the Support Fund as at 31 December 2023, its operating results and cash flows and changes in the net assets for the year then ended, in accordance with International Financial Reporting Standards (“IFRS”).

In preparing the financial statements, the management is responsible for:

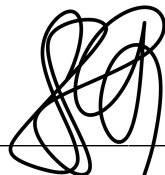
- Selecting suitable accounting principles and applying them consistently;
- Making reasonable assumptions and estimates;
- Compliance with relevant IFRS and disclosure of all material departures in Notes to the financial statements;
- Preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Support Fund will continue in business for the foreseeable future.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Support Fund;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Support Fund, and which enable them to ensure that the financial statements of the Support Fund comply with IFRS;
- Taking such actions that are reasonably available to them to safeguard the assets of the Support Fund; and
- Preventing and detecting fraud and other irregularities.

financial statements for the financial year ended 31 December 2023 were approved on 25 May 2024 on behalf of the Support Fund's management.

Chairman of the Board _____ / Andriy Yakshin/



STATEMENT OF FINANCIAL POSITION

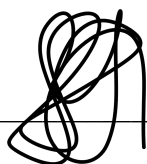
As at 31 December 2023

(in thousand Euro)

BALANCE SHEET

	Notes	31 December 2023
ASSETS		
Current assets		
Cash and cash equivalents		0,3
Prepayments made		0,0
Total current assets		0,3
Non-current assets		
Fixed assets and intangible assets, net worth		98,0
Construction in progress		88,7
Website		9,3
Total non-current assets		98,0
TOTAL ASSETS		98,3
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable		0,0
Net assets		98,3
Temporarily restricted assets		0,0
Unrestricted assets		98,3
Total net assets		98,3
TOTAL LIABILITIES AND NET ASSETS		98,3

Chairman of the Board _____ / Andriy Yakshin/



CHARITY ORGANIZATION “SUPPORT FUND FOR BUCHA SCHOOL”

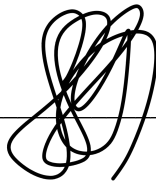
PROFIT & LOSS STATEMENT

As at 31 December 2023 and for the year then ended
(in thousand Euro)

Profit & Loss statement

	Notes	2023
Revenues		
Charitable contributions		104,9
Total Revenue		104,9
Costs		
Charitable program expenses		0,0
Depreciation of an intangible asset		(1,8)
Fund management expenses		(4,2)
Total costs		(6,0)
Net result		98,9

Chairman of the Board _____ / Andriy Yakshin/

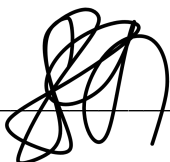


STATEMENT OF CASH FLOWS

As at 31 December 2023 and for the year then ended
(in thousand Euro)

STATEMENT OF CASH FLOWS		
	Notes	2023
Movement of funds as a result of operational activities		
Receipts		
Charitable contributions		104,9
Total receipts		104,9
Operational payments		
Payments under the charity program		0,0
Legal and accounting services		(3,7)
Social media marketing services		(0,3)
Others		(0,2)
Total operating payments		(4,2)
NET CASH FLOW FROM OPERATING ACTIVITIES		100,7
Movement of funds as a result of investment activities		
Payments under the Fund's charity program:		
Project work for the school		(88,7)
Website creation costs		(11,2)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		(99,9)
NET CASH FLOW FROM FINANCIAL ACTIVITIES		0,0
NET CASH FLOW FOR THE REPORTING PERIOD		0,8
The effect of exchange rate differences		(0,5)
Balance of cash at the beginning of the year		0,0
Balance of cash at the end of the year		0,3

Chairman of the Board _____ /Andriy Yakshin/



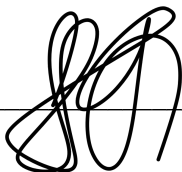
STATEMENT OF CHANGES IN NET ASSETS

As at 31 December 2023 and for the year then ended
(in thousand Euro)

STATEMENT OF CHANGES IN NET ASSETS

	Temporarily restricted assets	Unrestricted assets	In total
Net assets as of January 1, 2023	0,0	0,0	0,0
Increase (decrease) in net assets for the year	0,0	98,9	98,9
The impact of exchange rate differences	0,0	(0,6)	(0,6)
Net assets as of December 31, 2023	0,0	98,3	98,3

Chairman of the Board _____ /Andriy Yakshin/



NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023 and for the year then ended
(in thousand Euro)

1. GENERAL INFORMATION

Charity Organization “Support Fund For Bucha School” (here in after, “the Support Fund” or “the Fund”) is Ukrainian charitable organization that was founded on 27 January 2023 by the three Lithuanian companies:

BT Invest LLC

Nullus LLC

VŠĮ Vienas k paramos fondas (public institution 1K aid fund)

The purpose of the Support Fund is the project construction of modern complex of school and kindergarten in city of Bucha, Kyiv region, that will ensure safety, comfort and energy efficiency (here in after, “the Project”).

The Support Fund is fundraising from its founders and private donors.

2. OPERATING ENVIRONMENT, RISKS AND ECONOMIC CONDITIONS IN UKRAINE

The Fund operates in Ukraine, where a full-scale war with the Russian Federation continues and martial law is in effect.

In 2023, the economy recovered thanks to the high adaptability of businesses and households to the war and loose fiscal policy, which was supported by large-scale international financing. According to NBU estimates, GDP grew by 5.7% in 2023 (after falling by 30.3% in 2022). Despite the war, economic growth will continue. In 2024, real GDP will grow by 3.6%, primarily due to continued high budget spending amid expected sufficient international aid.

However, if the active phase of the war lasts longer, the economy is likely to grow more slowly. Russia does not stop trying to destroy the country's economic potential, evidenced by the terrorist attack on the Kakhovka Hydroelectric Power Plant, the intensification of barbaric shelling of the port infrastructure, the blockade by Russia of “grain corridor” in the Black Sea, and eventually its withdrawal from the grain deal. Thus, the risks to the economy, as well as the need for international assistance, were significant. The main assumption is that high security risks will decrease significantly starting in 2025. If high security risks persist for longer, they will have a negative impact on business and consumer sentiment, exchange rate and inflation expectations. This will also increase pressure on public finances and deepen problems in the labor market. Under this scenario, economic growth potential will be lower and inflationary pressures will be higher than currently expected.

Thanks to external support and the NBU's consistent policy, Ukraine's international reserves grew by 42% in 2023 to reach USD 40.5 billion. Despite delays in the flow of international aid in early 2024, it is expected to resume in the coming months.

Since the beginning of 2023, inflation has been falling faster than expected. The easing of inflationary pressures was facilitated by an ample supply of food and fuel, as well as a rapid recovery of the energy system from the effects of Russian terrorist attacks. An important factor was the improvement in inflation expectations since the beginning of the year amid the cessation of emission financing, the strengthening of the hryvnia cash exchange rate, and the increased attractiveness of hryvnia assets. As a result, in 2023, consumer inflation slowed to 5.1% year-on-year (26.6% in 2022).

In July 2023, the NBU Board decided to cut the key policy rate to 22% from 25% set in June 2022. Given the improvement in inflation expectations and the further slowdown in inflation, the current and projected rate cuts are consistent with maintaining the attractiveness of hryvnia savings. In September 2023, the NBU decided to cut the key policy rate from 22% to 20%, in October to 16%, and from December 15, 2023, to 15%. These steps support economic recovery while not posing a threat to macro financial stability.

On October 3, 2023, the National Bank of Ukraine switched to a regime of managed exchange rate flexibility, continuing to implement its strategy of easing currency restrictions. The official exchange rate is determined on the basis of the interbank market rate and is no longer set by the NBU, as it was since February 24,

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023 and for the year then ended
(in thousand Euro)

2022. In doing so, the NBU continues to monitor the situation in the interbank foreign exchange market and tries to significantly limit exchange rate fluctuations, preventing both a significant weakening and a significant strengthening of the hryvnia.

The war between Ukraine and the Russian Federation continues, resulting in significant destruction of property and assets in Ukraine and other material consequences. The consequences of the war are evolving daily and their long-term impact is not possible to determine. The future impact on the Ukrainian economy depends on the outcome of the full-scale war, the successful implementation of new reforms by the Ukrainian government, the country's strategy for recovery and transformation with a view to EU membership, and cooperation with international funds.

The impact of the war on the Support Fund's current situation and management's assessment of going concern is disclosed in Note 3.

3. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the provisions of the accounting policy prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB and Standing Interpretations Committee (“SIC”) interpretations approved by the International Accounting Standards Committee (“IASC”) that remain in effect.

Going concern

The management have, at the time of approving the financial statements, a reasonable expectation that the Support Fund has adequate resources and capabilities to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Management revised its donation and grant projections and cash flow estimates and, based on the analysis, concluded that the Support Fund will generate sufficient operating cash flow to carry out its activities in the near future.

Thus, the Support Fund's management believes that the application of the going concern principle is appropriate for the preparation of these financial statements. Furthermore, the scale and impact of the war on the significant assumptions underlying the plans of the Support Fund's management are currently unpredictable. The timing of the end of the invasion and its impact remains uncertain. Therefore, the Support Fund's management believes that there is material uncertainty, which could cast significant doubt on the Fund's ability to continue as a going concern.

Reporting period

Since the Fund was established on January 27, 2023, the financial statements for the period from January 27 to December 31, 2023 are the first package of financial statements prepared in accordance with IFRS, therefore they do not contain comparative information.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Fair value measurement

Fair value is the price that would have been received to sell an asset or paid to transfer a liability as part of a transaction carried out in the ordinary course between market participants at the measurement date. Fair value measurement assumes that the sale of assets or the transfer of liabilities is made either in the principal

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023 and for the year then ended

(in thousand Euro)

market for those assets or liabilities or, in the absence of a principal market, in the most advantageous market for those assets and liabilities. The Fund should have access to the principal or the most advantageous market.

The fair value of an asset or liability is measured using the assumptions that market participants will use in determining the price of the asset or liability, assuming that market participants are acting in their best economic interests.

Measuring the fair value of a non-financial asset takes into account a market participant's ability to generate economic benefits, either by using the asset to the best and most efficiently or by selling it to another market participant who would make the best and most efficient use of the asset.

The Fund shall use such valuation methods as are appropriate in the circumstances and for which data sufficient to measure fair value are available, while making maximum use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities whose fair value is measured or disclosed in the financial statements are classified as described below in the fair value hierarchy based on the lowest level inputs that are material to measure fair value:

- Level 1 – price quotations (not adjusted) in active markets for identical assets or liabilities.
- Level 2 – valuation models in which the inputs material to the fair value measurement are lower hierarchy observable inputs, directly or indirectly, for a particular asset or liability.
- Level 3 – valuation models in which the inputs material to fair value are lower hierarchy non-observable inputs for a particular asset or liability.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of six months or less. Their carrying values equate to fair value by reason of their short-term nature. In case prolongations of the original deposit agreement exist, that is treated as a new agreement for original maturity estimation.

Fixed assets

Fixed assets are accounted under historical cost method and are reflected less accumulated depreciation and accumulated impairment loss if any. Depreciation on such assets are recognized in profit or loss on a straight line basis.

In 2023 the Support Fund did not acquire any fixed assets for its own use.

Construction in progress

The Support Fund accumulates all direct project construction costs (including advances made to contractors) under Construction in progress line in its balance sheet. These expenses include costs of preliminary and principal design, preparatory and main works on construction and equipment acquisition and installation up to the moment of transferring of finished school and kindergarten complex to Bucha city Council. Depreciation is not charged on such assets until they are available for use.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023 and for the year then ended
(in thousand Euro)

Intangible assets

Intangible assets are accounted under historical cost method and are reflected less accumulated amortization and accumulated impairment loss if any. Amortization on such assets are recognized in profit or loss on a straight line basis according to the number of years this asset is expected to generate economic benefits. Currently intangible assets are represented by a website constructed for the purpose of promoting the Project among potential donors and collect donations. Its term of useful life is estimated at 2 years – the expected term of completion of the Project.

Foreign currencies

Functional currency is Ukrainian hryvnia. The presentation currency in these financial statements is Euro.

Transactions are translated using average UAH-EUR exchange rate. Balances are translated using closing UAH-EUR exchange rate. For that purpose we used official NBU's UAH-EUR exchange rate.

Hryvnia exchange rates against major currencies, which were used in preparation of financial statements as at 31 December 2023 are presented below:

		Exchange rate as at 30 May 2024	Average exchange rate for the year 2023	Exchange rate as at 31 December 2023
Euro	UAH/EUR	42.52	39.56	42.21
US dollar	UAH/USD	39.67	36.58	37.98

Income and expenses recognition

Income is recognized in the amount of expenses directly related to the Project, and fund-running expenses. Expenses are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

The main source of the Fund's income is donations from donors.

Donated objects and services that are consumed immediately are recognized as income, and the equivalent amount is recognized as an expense in the statement of profit or loss within other income/expense, respectively.

In addition to income related to its statutory activities, the Fund may receive other (passive) income, in particular:

- Interest on current account balances or from placing free funds on deposit;
- Forfeits/fines/fees in favor of the Fund for breach of contractual obligations;

Receipt of the above income is not a violation and does not lead to the loss of the non-profit status of the organization, as the income is used for the purposes of the Fund and financing its activities.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023 and for the year then ended
(in thousand Euro)

Tax status

By Decision No. 2326584600029 dated 31.01.2023 "On inclusion of a non-profit organization in the register of non-profit institutions and organizations or change of the non-profit status", the Fund was registered as a non-profit organization with the assignment of characteristic 0036 (charitable organizations).

Non-profit organizations are exempt from income tax. In the reporting period, the Fund did not receive any income that would be subject to income tax.

Net assets

The presence of the non-profit status of the Found means that there is no goal of making a profit with its subsequent distribution among the participants. The Found's income is used exclusively to finance the costs of its maintenance, the implementation of the goal (purposes, objectives) and areas of activity determined by the constituent documents.

The end-of-period balance represents the unamortized portion of donor receipts that is to be deferred until the Project's goal will be fulfilled and school and kindergarten complex is finished and the ownership is transferred to Bucha city Council.

Notes

For the construction of the school, one of the founders of the Fund allocated a plot of land with an estimated value of 1,319.7 thousand euros.

5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Some new standards and interpretations have become mandatory on or after 1 January 2023. Below is information about the new and revised standards and interpretations that the Support Fund first applied since 1 January 2023:

IFRS 17, Insurance Contracts

IFRS 17 replaces IFRS 4 and introduces an internationally consistent approach to accounting for insurance contracts. Prior to the introduction of IFRS 17, there was considerable diversity in the accounting and disclosure of insurance contracts worldwide, with IFRS 4 allowing to follow many previous approaches to insurance contract accounting.

As IFRS 17 applies to all insurance contracts issued by an entity (subject to limited scope exceptions), its adoption may affect non-insurers. The Fund has assessed its contracts and transactions and concluded that the transition to IFRS 17 did not have any impact on the Fund's financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments aim to make disclosures of accounting policies more informative by replacing the requirement to disclose "significant accounting policies" with "material accounting policy information". The amendments provide guidance on when accounting policy information may be significant and therefore require disclosure. The amendments do not affect the measurement or presentation of any items in the Fund's financial statements but do affect the accounting policy disclosure.

Application of other IFRSs

The amendments to IFRSs, the application of which did not affect the Fund's financial statements are as follows:

- *Amendments to IAS 8, Definition of Accounting Estimates*

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023 and for the year then ended

(in thousand Euro)

- *Amendment to IAS 12, Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*
- *Amendments to IAS 12, Income Taxes - Temporary Exception to the Requirements regarding Deferred Tax Assets and Liabilities related to OECD Pillar Two Model Rules*

Standards issued but not yet effective

The Fund has not applied the following IFRSs, interpretations and amendments to IFRSs and IASs that have been issued but are not yet effective. The Fund plans to adopt these amendments when they become effective.

Amendments to IAS 1 Presentation of Financial Statements — Classification of Liabilities as Current or Non-current

The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and exist at the end of the reporting period. The classification of a liability is not affected by the likelihood that an entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period.

The amendments are effective for periods beginning on or after January 1, 2024. The amendments are to be applied retrospectively, with early adoption permitted. The amendments may have an impact on the classification of liabilities in the Fund's statement of financial position.

Amendments to IAS 1, Presentation of Financial Statements — Non-current Liabilities with Covenants

After publication of the amendments to IAS 1 regarding the classification of liabilities as current or non-current, the IASB introduced additional amendments to IAS 1 in October 2022. Under these amendments, only covenants that an entity must meet on or before the reporting date affect the classification of a liability as current or non-current. Furthermore, an entity is required to provide disclosures in notes that enable users of financial statements to understand the risk that non-current liabilities with covenants may be settled within twelve months.

The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments are to be applied retrospectively, with early adoption permitted. The amendments may have an impact on the classification of liabilities in the Fund's statement of financial position.

The list of standards and interpretations that will not have any impact on or are not applicable to the Company's separate financial statements:

Amendments to IFRS 16, Leases — Lease Liability in a Sale and Leaseback become effective for the reporting periods beginning on or after January 1, 2024.

Amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures — Supplier Finance Arrangements become effective for the reporting periods beginning on or after January 1, 2024.

Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates — Lack of Exchangeability are effective for annual periods beginning on or after January 1, 2025.

Amendments to IFRS 10, Consolidated Financial Statements and IAS 28, Investments in Associates and Joint Ventures — Sales or Contributions of Assets between an Investor and its Associate or Joint Venture. The IASB has deferred the effective date of this amendment indefinitely, but early adoption is permitted.

6. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered related if one of the parties has the ability to control or exert significant influence over the operational and financial decisions of the other party.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023 and for the year then ended
(in thousand Euro)

When considering any transactions that can be defined as transactions with related parties, the essence of such transactions is considered, and not only their legal form.

Related parties may enter into transactions that are not always available to unrelated parties, and the terms and amounts of transactions between related parties may not correspond to similar conditions and amounts of transactions that occur between unrelated parties.

The Support Fund classifies entities under common control and key management personnel as related parties.

Key management personnel are represented by employees, who have the authority and responsibilities for planning, directing and controlling the activities of the Fund.

Key management personnel did not receive any remuneration, except for payments for contractual services in the amount of EURO 2,4 thousand; the number of key managers is 1. Principal management remuneration is included in administrative expenses in the statement of comprehensive income.

Transactions with companies under common control are represented by the receipt of charitable contributions in the amount of EURO 60.6 thousand.

7. FINANCIAL RISK MANAGEMENT

The Fund's main financial instruments comprise cash and cash equivalents. In addition, the Fund has other financial instruments such as trade payables.

It is the Fund's policy not to enter into trading transactions with financial instruments. The Fund's overall risk management program focuses on the unpredictability and inefficiency of the Ukrainian financial markets and is aimed at minimizing the potential negative impact on the Fund's financial position.

Currency risk

The Fund is exposed to foreign currency risk as a result of having monetary items denominated in foreign currencies. The Fund primarily operates in the following currencies: Ukrainian hryvnia and Euro. Currency risk management in the Company is carried out on a general basis. The Fund's policy does not provide for entering into transactions to hedge currency risk.

The monetary financial assets and liabilities of the Fund as of the reporting date are represented by the item Cash at carrying amount. As of the reporting date, the Fund has no financial liabilities in foreign currencies.

Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due.

The Fund's goal is to maintain a balance between continuous financing and flexibility in using the terms of credit resources provided by suppliers and borrowed funds. The Fund analyzes assets and liabilities by maturity and plans its liquidity based on the expected maturity of liabilities.

8. FAIR VALUE MEASUREMENT

The fair value of financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

The following methods and assumptions were used to determine the fair values:

- The fair values of cash and cash equivalents, trade receivables and payables, and other short-term liabilities approximate their carrying amounts primarily due to the fact that these instruments are expected to be settled in the near term;

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023 and for the year then ended

(in thousand Euro)

- The fair value of loans and other financial liabilities is estimated by discounting future cash flows using current rates for debt with similar terms, credit risk and remaining maturities.

The Fund measures its investments at fair value at each statement of financial position date. All assets and liabilities measured at fair value are classified within the fair value hierarchy described below:

- instruments whose fair value is based on quoted prices in active markets for identical assets or liabilities — level 1;
- instruments whose fair value is based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) — level 2;
- instruments whose fair value was determined on the basis of inputs for the asset or liability that are not based on observable market data (unobservable inputs) — level 3

Set out below is a comparison of the amount recognized in the combined statement of financial position and the fair value of the Fund's financial instruments by category, together with a description of the fair value hierarchy for assets and liabilities:

31.12.2023	Level 1	Level 2	Level 3	Together
Financial assets at fair value through profit or loss				
Cash and cash equivalents	-	0,3	-	0,3
Financial liabilities with disclosed fair value				
Trade accounts payable	-	-	-	-

9. SUBSEQUENT EVENTS

As described in Note 2, the full-scale war with the Russian Federation is ongoing in Ukraine and the legal regime of martial law is in effect.

Further, the key risk is the prolongation of the war, even if the hostilities are localized. This will require the economy to operate for a long time in extreme conditions and increase the need for assistance from partners. The impact of the war on the global economy will also increase.

In addition, there are significant risks of systematic disruptions in the rhythm of international aid and/or a significant reduction in its volume. Under the baseline scenario of the NBU's forecast, Ukraine will receive about USD 37 billion as external loans and grants in 2024.

Given the balance of risks, the need to maintain exchange rate stability and moderate inflation in 2024, followed by bringing it to the target range in 2025, the NBU Board decided on April 25, 2024, to keep the key policy rate at 13.5% per annum.

The situation is still evolving, and its consequences are currently uncertain. Management is unable to predict all developments which could have an impact on the economy as a whole and what effect they could have on the financial position and the results of future operations of the Fund. Management keeps monitoring the possible impact of these developments on the Fund and will take all possible measures to mitigate any consequences.