

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

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED DECEMBER 31, 2024**

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

INDEPENDENT AUDITORS' REPORT

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

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, 2024;
- 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, 2024, 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), as issued by the International Accounting Standards Board.

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: 101586

Kyiv, February 17, 2025

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/>

CHARITY ORGANIZATION “SUPPORT FUND FOR BUCHA SCHOOL”

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

As at 31 December 2024

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 2024, 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:

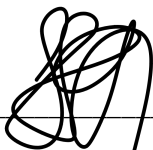
- Selecting suitable accounting principles and applying them consistently;
- Making reasonable assumptions and estimates;
- Compliance with relevant IFRS and disclosure of all material departures in Notes to the financial statements;
- Preparing the financial statements on a going concern basis, unless 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 2024 were approved on 14 February 2025 on behalf of the Support Fund’s management.

Chairman of the Board _____ / Andriy Yakshin/



CHARITY ORGANIZATION "SUPPORT FUND FOR BUCHA SCHOOL"

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(in thousand Euro)

BALANCE SHEET

	Notes	31 December 2024	31 December 2023
ASSETS			
Current assets			
Cash and cash equivalents		17,4	0,3
Prepayments made		0,0	0,0
Total current assets		17,4	0,3
Non-current assets			
Fixed assets and intangible assets, net worth		137,0	98,0
Construction in progress		133,0	88,7
Website		4,0	9,3
Total non-current assets		137,0	98,0
TOTAL ASSETS		154,4	98,3
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable		5,7	0,0
Net assets		148,7	98,3
Temporarily restricted assets		0,0	0,0
Unrestricted assets		148,7	98,3
Total net assets		148,7	98,3
TOTAL LIABILITIES AND NET ASSETS		154,4	98,3

Chairman of the Board  / Andriy Yakshin/

CHARITY ORGANIZATION "SUPPORT FUND FOR BUCHA SCHOOL"

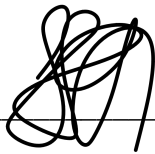
PROFIT & LOSS STATEMENT

As at 31 December 2024 and for the year then ended
(in thousand Euro)

Profit & Loss statement

	Notes	2024	2023
Revenues			
Charitable contributions		72,9	104,9
Total Revenue		72,9	104,9
Costs			
Charitable program expenses		0,0	0,0
Depreciation of an intangible asset		(5,6)	(1,8)
Fund management expenses		(7,6)	(4,2)
Total costs		(13,2)	(6,0)
Net result		59,7	98,9

Chairman of the Board _____ / Andriy Yakshin/



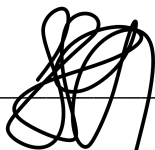
CHARITY ORGANIZATION "SUPPORT FUND FOR BUCHA SCHOOL"

STATEMENT OF CASH FLOWS

As at 31 December 2024 and for the year then ended
(in thousand Euro)

STATEMENT OF CASH FLOWS	Notes	2024	2023
Movement of funds as a result of operational activities			
Receipts			
Charitable contributions		72,9	104,9
Total receipts		72,9	104,9
Operational payments			
Payments under the charity program		0,0	0,0
Legal and accounting services		(5,9)	(3,7)
Social media marketing services		(0,8)	(0,3)
Others		(0,2)	(0,2)
Total operating payments		(6,9)	(4,2)
NET CASH FLOW FROM OPERATING ACTIVITIES		66,0	100,7
Movement of funds as a result of investment activities			
Payments under the Fund's charity program:			
Project work for the school		(48,9)	(88,7)
Website creation costs		(0,0)	(11,2)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		(48,9)	(99,9)
NET CASH FLOW FROM FINANCIAL ACTIVITIES		0,0	0,0
NET CASH FLOW FOR THE REPORTING PERIOD		17,1	0,8
The effect of exchange rate differences		(0,0)	(0,5)
Balance of cash at the beginning of the year		0,3	0,0
Balance of cash at the end of the year		17,4	0,3

Chairman of the Board _____



/Andriy Yakshin/

CHARITY ORGANIZATION "SUPPORT FUND FOR BUCHA SCHOOL"

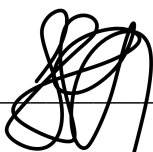
STATEMENT OF CHANGES IN NET ASSETS

As at 31 December 2024 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
Increase (decrease) in net assets for the year	0,0	59,7	59,7
The impact of exchange rate differences	0,0	(9,3)	(9,3)
Net assets as of December 31, 2024	0,0	148,7	148,7

Chairman of the Board _____



/Andriy Yakshin/

CHARITY ORGANIZATION “SUPPORT FUND FOR BUCHA SCHOOL”

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2024 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. As at 31 December 2024, the founders of the Fund are the two Lithuanian companies BT Invest, LLC and 2L Architects, LLC. 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, which is subject to a full-scale war with the Russian Federation and martial law.

In 2024, Ukraine's economy continued to recover, supported primarily by robust domestic consumer demand. Economic growth was also supported by significant public capital expenditures, in particular in the defense industry, and by an increase in exports due to the stable operation of seaports and the expansion of production in metallurgy and mining. The NBU estimates that Ukraine's real GDP grew by 3.4% in 2024. The pace of economic growth slowed compared to 2023. This was due not only to poorer harvests and slightly weaker-than-expected external demand, but also to the realization of the risks of increased hostilities, intensified Russian air attacks, and related electricity deficits. The continued high security risks also hindered the return of migrants and caused a significant labor shortage. Given the security risks and the difficult situation on the labor market, the NBU has lowered its real GDP growth forecast for 2025 to 3.6%. At the same time, the NBU's baseline scenario still assumes a gradual return of the economy to normal operating conditions.

In 2024, inflation accelerated to 12% year-on-year, exceeding previous forecasts. This price development was driven by higher business costs for raw materials, supplies, and electricity, as well as higher wages amid a persistent shortage of staff. At the same time, in recent months, price growth has been restrained to some extent by the strengthening of the hryvnia against the euro, which is important for Ukrainian imports. Inflation is projected to decrease to 8.4% in 2025 and 5% in 2026. This will be supported by the NBU's interest rate and exchange rate policies, as well as higher harvests, improved energy situation, lower fiscal deficit, and moderate external price pressure.

In December, the NBU raised the key policy rate by 0.5 v.p. to 13.5% to avoid unbalancing inflation expectations. The tightening of monetary conditions will halt the decline in commercial bank rates that had been going on for more than a year.

Thanks to significant international support, as well as a high level of adaptability of businesses and households to the war, Ukraine's economy is still recovering. In 2024, Ukraine received USD 42 billion in loans and grants from international partners. In 2025, Ukraine is expected to receive USD 38.4 billion in external financing. Given the government's measures to increase its own revenues and borrowing on the domestic debt market, these funds should be enough to fully cover the planned budget deficit for the next year without using emission sources.

A full-scale war remains the key risk to inflation dynamics and economic development. Russian aggression poses risks of further decline in economic potential, in particular due to the loss of people, territory, and production facilities. The pace of the economy's return to normal conditions will depend on the nature and duration of hostilities.

There are also risks of a decline in the rhythm of international assistance and less favorable foreign economic trends than currently expected, in particular due to greater geopolitical polarization of the countries and the corresponding fragmentation of global trade.

CHARITY ORGANIZATION “SUPPORT FUND FOR BUCHA SCHOOL”

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended
(in thousand Euro)

The search for a peace formula for Ukraine involving international partners continues. The results of the US elections improved international investors' assessment of the prospects for ending the war. In particular, this was reflected in the growth of the value of Ukrainian Eurobonds. However, the parameters and possible timeframe for achieving peace are still uncertain, and the risks of prolonging the war are high.

The war between Ukraine and the Russian Federation is ongoing and results in significant destruction of property and assets in Ukraine and other material consequences. The consequences of the war are evolving on a daily basis and their impact in the longer term 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 recovery and transformation strategy 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.

Comparative information

Since the Fund was established on January 27, 2023, the financial information for the period from January 27 to December 31, 2023 is the comparative financial information in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended
(in thousand Euro)

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 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 2024 and 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.

CHARITY ORGANIZATION “SUPPORT FUND FOR BUCHA SCHOOL”

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2024 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 are presented below:

		Exchange rate as at 31 December 2024	Average exchange rate for the year 2024	Exchange rate as at 31 December 2023
Euro	UAH/EUR	43.93	43.45	42.21
US dollar	UAH/USD	42.04	40.15	37.98

Income and expenses recognition

Income is recognized in the amount of expenses directly related to the Project (whether capitalized or expensed), 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.

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.

CHARITY ORGANIZATION “SUPPORT FUND FOR BUCHA SCHOOL”

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended
(in thousand Euro)

Net assets

The presence of the non-profit status of the Fund means that there is no goal of making a profit with its subsequent distribution among the participants. The Fund'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

In general, the accounting policies are consistent with those adopted in the previous reporting year. Certain new standards and interpretations are mandatory for application on or after January 01, 2024. The following is the information on new and revised standards and interpretations that became effective from January 01, 2024.

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

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

The amendments did not have any 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

Under these amendments, only covenants, that an entity is required to comply with at or before the reporting date, affect the classification of a liability as current or non-current. In addition, an entity must provide disclosures in the notes that enable users of the financial statements to understand the risk that non-current covenant liabilities may be settled within twelve months. The amendments are to be applied retrospectively.

The amendments did not have any impact on the classification of liabilities in the Fund's statement of financial position.

Amendments to IFRS 16 Leases — Lease liabilities in sales and leaseback transactions

The amendments require the seller-lessee to determine the “lease payments” or “revised lease payments” in a way that the seller-lessee does not recognize any gain or loss related to the right-of-use retained by the seller-lessee.

The amendments did not have any impact on the financial statements of the Fund.

CHARITY ORGANIZATION “SUPPORT FUND FOR BUCHA SCHOOL”

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended
(in thousand Euro)

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures — supplier financing arrangements

The amendments clarify the characteristics of supplier financing arrangements and the required additional disclosures about those arrangements. The disclosure requirements are intended to assist users of financial statements to understand the impact of supplier financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments did not have any impact on the financial statements of the Fund.

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. 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 3,6 thousand (in 2023: 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 71,3 thousand (in 2023: 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.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended
(in thousand Euro)

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;
- 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

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 more significant reduction in its volume.

The Board of the National Bank of Ukraine has decided to raise the key policy rate to 14.5% per annum as of January 24, 2025. The decision is intended to support the stability of the foreign exchange market, keep inflation expectations under control, reverse the inflation trend, and gradually slow inflation to its 5% target. Holding back price pressures will likely require further tightening of interest rate policy.

The situation is still evolving and its consequences are currently uncertain. Management is unable to predict all developments in the wider economy and what effect they might have on the financial position and performance of the Fund in the future. Management keeps monitoring the possible impact of these developments on the Fund and will take all possible measures to mitigate any consequences.