Independent auditor`s report

Financial statements for 2024

LLC “MEBEL-SERVICE”

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Grant Thornton

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INDEPENDENT AUDITOR'S REPORT

To Participants of the Limited Liability Company "MEBEL-SERVICE"

Ukraine, 01010, Lviv region,
Radekhiv city, 44 Vytkivska St.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the financial statements of the Limited Liability Company "Mebel-Service" (hereinafter "the Company"), which comprise the balance sheet (statement of financial position) as at December 31, 2024, the income statement (statement of comprehensive income), the statement of cash flows, and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other information.

In our opinion, expect for the effect of the matter described in the "Basis for Qualified Opinion" section of our report, the accompanying financial statement presents fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS`s") and meets the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" of 16.07.1999 No. 996-XIV on the preparation of financial statements.

Basis for Qualified Opinion

1. The Company made the transition to IFRS as of January 01, 2018. IFRS 1 "First-time Adoption of International Financial Reporting Standards" provides for the possibility for the Company to evaluate items of property, plant, and equipment at fair value as of the transition date to IFRS and to use this fair value as the deemed cost of that date.

We have not received sufficient and acceptable evidence that the carrying amount of property, plant, and equipment as of January 01, 2018, corresponds to their fair value.

As a result, we were unable to determine whether any adjustments to the property, plant, and equipment reflected in the accounts as of December 31, 2024, and December 31, 2023, as well as items comprising the statement of comprehensive income and statement of changes in equity were necessary.

Our opinion on the Company's financial statements for the prior period was also modified with respect to this matter.

2. We did not obtain sufficient appropriate audit evidence regarding the management's estimates of the allowance for expected credit losses, taking into account the possible increase in default risk arising from the impact of the military aggression started by the russian federation against Ukraine in respect of the parts of debtors. We were unable to determine the impact of this matter on the Company's accounts receivable balance, deferred tax as at December 31, 2023, the amount of net profit for the year 2023, as well as on the corresponding notes to the financial statements.

Our opinion on the Company's financial statements for the year ended December 31, 2023, was accordingly modified with respect to this matter. Our opinion on the current year's financial statements is also modified due to the impact of this matter on the comparability of the current period figures with the corresponding figures for the prior period.

We conducted our audit in accordance with International Standards on Auditing ("ISAs").

Our responsibilities under these 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 Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Ukraine. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter Paragraphs

We draw attention to Note 25 to the financial statements, which describes information about significant volume of the Company's operation with related parties.

Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

We draw attention to Note 4 to the financial statements, which indicates that, since February 24, 2022, the Company's operations have been significantly affected by the ongoing military actions in Ukraine, and the extent of further developments or the duration of these actions remains uncertain. These conditions, along with other matters described in Notes 2 and 4, indicate the existence of 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "Basis for Qualified Opinion" and "Material uncertainty related to going concern" sections, we have determined the following issues as key audit matters that should be reflected in our report.

Key Audit Matters	**How it was decided during the audit**
Completeness of revenue recognition, application of IFRS 15	
We consider revenue recognition to be one of the most significant audit matters because the amount of revenue is material to the financial statements, and because revenue is one of the key performance indicators; it leads to the risk that revenue being recognized in an incorrect period or may be distorted in order to declare planned (desired) indicators. Disclosure regarding the reliability and correctness of revenue recognition are provided in Note 19 to the financial statements.	Our audit procedures included, but were not limited to, the following: ▪ we reviewed the revenue recognition process and identified controls over inputs to revenue recognition; ▪ we have reviewed the completeness and reliability of the disclosures in respect of revenue presented in the financial statements and their compliance with IFRS requirements; ▪ we tested the appropriateness and consistency of the accounting policies applied to the amount of revenue recognized during the period, analysed the judgments and estimates made, and tested sales transactions on a test basis to obtain reasonable assurance about the completeness of revenue recognition; ▪ we have completed the procedure for confirming the balance of receivables from counterparties.

We performed the above and other audit procedures on a test basis in accordance with our professional judgment and selected audit methodology.

Other Information

Management is responsible for other information. Other information comprises the Management Report in accordance with the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" but does not include the financial statements for 2024 and the auditor's report thereon.

The Management Report is expected to be provided to us after the date of this auditor's report.

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 an audit of the financial statements, our responsibility is to read the other information and, in doing, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Management Report for 2024, if we conclude that there is a material misstatement, we are required to communicate the matter to those charged with governance. Accordingly, we do not express an opinion on the consistency of the financial information included in the Management Report with the Company's financial statements for 2024.

Responsibility 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 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 management either plans to liquidate the Company or to cease operations, or has 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 independent 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.

A further description of our responsibility for the financial statements audit is set forth of Appendix 1 to this INDEPENDENT AUDITOR'S REPORT, which is an integral part thereof.

REPORT ON THE REQUIREMENTS OF OTHER LEGISLATIVE AND REGULATORY ACTS

In addition to the requirements of International Standards of Auditing, we also provide information in the Independent Auditor's Report:

Disclosure of information required by part 4 of Article 14 of the Law of Ukraine dated 21 December 2017 No.2258-VIII "On Audit of the Financial Statements and Auditing Activities" (hereinafter – Law 2258).

1. By the decision of the General Meeting of Participants dated November 24, 2024, we were appointed as an independent auditor to provide services for the statutory audit of the Company's financial statements for 2024.

2. The total duration of the audit engagement without interruption, taking into account the extension of the powers and reappointments for the statutory audit services is two years.

3. The purpose of our audit is to increase the designated user's degree of confidence in respect of the Company's financial statements. Our audit assessments include:

- describing and assessing the most significant risks of material misstatement of the audited financial statements, whether due to fraud or other factors;

- a clear reference to the relevant line item or other disclosure in the financial statements for each description and assessment of the most significant risks in the audited statements;

- a brief description of the responses designed by us to address those risks;

- the main caveats regarding those risks, which are described in the “Basis for opinion” and “Key audit matters” sections of our Independent Auditor's Report.

In the “Emphasis of Matter Paragraphs” section of our report, we have described an issue disclosed in the Company's financial statements that, in our professional judgment, is also worth highlighting. This matter has been considered in the context of our audit and is fundamental to users' understanding of the Company's financial statements. However, we did not make any further qualifications to our opinion regarding this matter.

4. The general procedures for identifying and assessing the risks of material misstatement due to fraud or error, which were applied during our audit, include the analysis of the Company's internal control environment, the process of identifying business risks relevant for the financial reporting purposes, assessing the significance of risks, their occurrence probability, and also the adoption of decisions by the Company regarding the mechanism of these risks consideration; procedures for external confirmation and inspection of documents after the end of the reporting period and the Company's internal control system related to the payment of receivables and other financial assets; analysis of regulatory risks; understanding IT control measures; testing journal entries; analysis of information received in previous periods; performing analytical procedures, including substantive ones, using detailed data, observation, etc.

Based on the results of our audit, all identified irregularities were discussed with the Company's senior management. The irregularities we identified during our audit did not involve a risk of fraud.

The scope of our review was not limited in any way and we were given an access to all the necessary information.

5. We confirm that this Independent Auditor's Report is consistent with the Additional Report for the Audit Committee.

6. We confirm that Grant Thornton Legis LLC did not provide for the Company any services prohibited by law.

We confirm that the key engagement partner and Grant Thornton Legis LLC are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IASBA Code) and the ethical requirements applicable in Ukraine to our audit of financial statements, as well as fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code.

7. We confirm that Grant Thornton Legis LLC has not provided any other services to the Company or entities under its control, except for the statutory audit of the Company's financial statements for 2024.

8. Our explanations of the scope of the audit and the inherent limitations of the Company's financial statements are also disclosed in the section “Auditor's Responsibilities for the Audit of the Financial Statements”.

Basic Information About the Audit Company

The audit was conducted by an independent auditing firm in the form of "GRANT THORNTON LEGIS" Limited Liability Company.

GRANT THORNTON LEGIS LLC is included in Section IV "Audit Entities that have Right to Conduct Statutory Audit of Financial Statements of Public Interest Entities: of the Register of Auditors and Audit Entities of the Audit Chamber of Ukraine under No.3915.

DIRECTOR OF THE AUDIT DEPARTMENT
GRANT THORNTON LEGIS LLC **Ostap OLENDIY**
Certified auditor
(№100225 in the Register of auditors and auditing entities)

KEY ENGAGEMENT AUDIT PARTNER
GRANT THORNTON LEGIS LLC **Yana SAKHNO**
Certified auditor
(№100030 in the Register of auditors and auditing entities)

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Kyiv, Ukraine
May 31, 2025

Appendix 1. Further disclosure of the auditor's responsibility for the audit of financial statements

1. When performing an audit in accordance with the requirements of the ISA, we use professional judgment and professional scepticism throughout the audit engagement;

2. The auditor's responsibility includes:

(i) to 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;

(ii) to 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 internal control. When the auditor is also responsible for expressing an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor should omit the step in which the auditor considers internal control for the purpose of expressing an opinion on the effectiveness of the company's internal control;

(iii) to evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

(iv) to 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 the attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. The auditor`s 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;

We communicate to those charged with governance, among other matters, information about the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also reassure those charged with governance that we have complied with the relevant ethical requirements of independence, and inform them of all relationships and other matters that may reasonably be considered to affect our independence and, where applicable, on the appropriate precautions.

From the list of all the issues on which the information was provided to those charged with governance, we identified ones which were most significant during the audit of the current period's financial statements, i.e. those that are key audit issues. We describe these matters in our auditor's report, unless a law or regulation prohibits the public disclosure of such an issue, or when, in extremely exceptional circumstances, we determine that such an issue should not be covered in our report because the adverse effects of such disclosure may outweigh its usefulness to the public interest.

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

For the preparation and approval of the financial statements for the years ended 31 December 2024

Management of the LLC "MEBEL-SERVICE" (hereinafter – "the Company") is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at 31 December 2024, the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS").

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

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides with relevant, reliable, comparable and understandable information;
- providing with additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- making an assessment of the Company's ability to continue as a going concern;
- accounting and disclosing all the relations and transactions between related parties in the financial statements;
- accounting and disclosing all subsequent events that need to be adjusted or disclosed in the financial statements;
- disclosing all claims related to previous or potential legal proceedings;
- disclosing all guarantees on behalf of the Management in the financial statements.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls, throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company transactions and disclose with reasonable accuracy at any time the financial position of the Company, which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with Ukrainian legislation;
- taking such steps that are reasonably available to them to safeguard the assets of the Company;
- preventing and detecting fraud and other irregularities.

These financial statements as at 31 December 2024 have been prepared in accordance with International Financial Reporting Standards and were authorized for issue by the Company's management on May 31, 2025.

On behalf of the Management of LLC "MEBEL-SERVICE":

Yurii Liashchuk
Director
May 31, 2025

Halyna Liashok
Chief Accountant
May 31, 2025

			Codes		
		Date (year, month, day)	2025	01	01
Entity	LIMITED LIABILITY COMPANY "MEBEL-SERVICE"	USREOU	25550470		
Region	Lviv	COATSU	UA46120090010078401		
Organizational and legal form of business	Limited liability company	COLFB	240		
Type of economic activity	Other furniture manufacturing	CEAT	31.09		

Average number of employees 1 520
Address, phone number VYTKIVSKA str., 44, Radekhiv city, Radekhiv district, Lviv region, 80200, Ukraine
Unit of measurement: UAH thousand without a decimal point (except for Section IV of the Statement of Comprehensive Income (Form 2), where monetary indicators are presented in UAH and kopiykas)
Compiled (make a "v" in the appropriate cell):

according to national financial reporting standards	
according to international financial reporting standards	V

Balance sheet (Statement of financial position) as at 31 December 2024

Form № 1 SCMD Code 1801001

Assets	Code	Note	31 December 2023	31 December 2024
1	2	3	4	5
I. Non-current assets				
Intangible assets:	1000		61	1 582
Initial cost	1001		504	2 076
Accumulated depreciation	1002		(443)	(494)
Construction in progress	1005	8	20 482	30 768
Property, plant and equipment:	1010	8	369 437	380 937
Initial cost	1011		814 719	894 623
Accumulated depreciation	1012		(445 282)	(513 686)
Investment property:	1015		-	-
Initial cost of investment property	1016		-	-
Accumulated depreciation of investment property	1017		-	-
Non-current biological assets:	1020		-	-
Initial cost of non-current biological assets	1021		-	-
Accumulated depreciation of non-current biological assets	1022		-	-
Long-term financial investments:				-
accounted for using the equity method	1030		-	-
other long-term financial investments	1035		-	-
Long-term accounts receivable	1040		-	-
Deferred tax assets	1045	24	-	-
Other non-current assets	1090		-	-
Total: section I	**1095**		**389 980**	**413 287**
II. Current assets				
Inventories:	1100	9	583 169	606 366
Production inventories	1101		429 436	452 182
Work in progress	1102		141 869	137 004
Finished products	1103		11 469	17 071
Goods	1104		395	109
Current biological assets	1110		-	-
Reinsurance deposits	1115		-	-
Promissory notes received	1120		-	-
Trade accounts receivable for goods, works, services	1125	11	289 608	373 659
Accounts receivable on settlements: for advances issued	1130		19 057	14 693

Balance sheet (Statement of financial position) as at 31 December 2024 (continued)

Assets	Code	Note	31 December 2023	31 December 2024
with state authorities	1135	12	22 018	77 318
incl. income tax payments	1136		-	20 367
Accrued income receivables	1140		-	-
Receivables from internal settlements	1145		-	-
Other current account receivable	1155		5 276	247
Current financial investments	1160		-	-
Cash and cash equivalents:	1165	13	30 406	62 847
Cash	1166		-	-
Cash in banks	1167		30 406	62 847
Deferred expenses	1170		1 352	1 441
Other current assets	1190		1 956	5 415
Total section II	**1195**		**952 842**	**1 141 986**
III. Non-current assets held for sale and disposal groups	**1200**		**431**	**431**
Total assets	**1300**		**1 343 253**	**1 555 704**

Equity and liabilities	Code	Note	31 December 2023	31 December 2024
1	2	3	4	5
I. Equity				
Share capital	1400	14	121 530	121 530
Contributions to unregistered share capital	1401		-	-
Evaluation surplus	1405		-	-
Additional capital	1410		262	364
share premium	1411		-	-
accumulated exchange rate differences	1412		-	-
Reserve capital	1415		28 473	28 473
Retained earnings (uncovered loss)	1420		970 129	1 189 852
Unpaid capital	1425		-	-
Retired capital	1430		-	-
Other reserves	1435		-	-
Total section I	**1495**		**1 120 394**	**1 340 219**
II. Long-term liabilities and provisions				
Deferred tax liability	1500	24	8 391	8 970
Pension liabilities	1505		-	-
Long-term bank loans	1510		8 852	2 713
Other long-term liabilities	1515	15	978	486
Long-term provisions	1520		-	-
Long-term provisions for personnel	1521		-	-
Targeted financing	1525		-	-
charitable assistance	1526		-	-
Total section II	**1595**		**18 221**	**12 169**
III. Current liabilities and provisions				
Short-term bank loans	1600	15	4 221	-
Promissory notes issued	1605		-	-
Current accounts payable for: long-term liabilities	1610	15	6 829	7 087
goods, works, services	1615	16	118 106	115 164
settlements with the budget	1620		2 557	4 076
incl. income tax payables	1621		659	-
Insurance	1625		2 346	3 041

Balance sheet (Statement of financial position) as at 31 December 2024 (continued)

Equity and liabilities	Code	Note	31 December 2023	31 December 2024
payroll settlements	1630		7 130	12 933
Current accounts payable on advances received	1635		16 117	17 952
Current accounts payable on settlements with participants	1640		-	-
Current accounts payable on internal settlements	1645		-	-
Current accounts payable from insurance activities	1650		-	-
Current provisions	1660	17	34 274	34 286
Deferred income	1665		23	22
Other current liabilities	1690	18	13 035	8 755
Total section III	**1695**		**204 638**	**203 316**
IV. Liabilities related to non-current assets held for sale and disposal groups	**1700**		**-**	**-**
V. Net value of assets of a non-state pension fund	**1800**		**-**	**-**
Equity and liabilities	**1900**		**1 343 253**	**1 555 704**

Yurii Liashchuk
Director
May 31, 2025

Halyna Liashok
Chief Accountant
May 31, 2025

	CODES		
Date (year, month, day)	2025	01	01
Entity LIMITED LIABILITY COMPANY "MEBEL-SERVICE" USREOU	25550470		

Statement of financial results (Statement of comprehensive income)
for 2024

Form № 2 SCMD Code 1801003

Item	Code	Note	2024	2023
1	2	3	4	5
Revenue	2000	19	1 957 557	1 757 164
Net premiums earned, including	2010		-	-
premiums signed, gross	2011		-	-
premiums transferred to reinsurance	2012		-	-
change in unearned premium reserve, gross	2013		-	-
change in reinsurers' share of uneamed premiums reserve, gross	2014		-	-
Cost of sales	2050	20	(1 492 035)	(1 376 567)
Net losses for insurance payments	2070		-	-
Gross:				
Profit	**2090**		**465 522**	**380 597**
Loss	**2095**		**-**	**-**
Income (expense) from changes in provisions for long-term liabilities	2105		-	-
Income (expense) from changes in other insurance reserves	2110		-	-
change in other insurance reserves, gross	2111		-	-
change in reinsurers' share of other insurance reserves	2112		-	-
Other operating income	2120	23	61 835	64 003
including: income on the change in value of assets measured at fair value	2121		-	-
income on initial recognition of biological assets and agricultural products	2122		-	-
income generated on the use of tax exempt funds	2123		-	-
Administrative expenses	2130	21	(54 010)	(29 404)
Selling and distribution expenses	2150	22	(197 700)	(150 707)
Other operating expenses	2180	23	(17 784)	(17 930)
including: expenses on the change in the value of assets measured at fair value	2181		-	-
expenses on initial recognition of biological assets and agricultural products	2182		-	-
Financial result from operating activities:				
Profit	**2190**		**257 863**	**246 559**
Loss	**2195**		**-**	**-**
Income from participation in equity	2200		-	-
Other financial income	2220		-	-
Other income	2240	23	2 145	2 122
including: income from charitable assistance	2241		-	-
Financial expenses	2250	23	(975)	(1 526)
Losses from participation in equity	2255		-	-
Other expenses	2270	23	(780)	(2 663)
Gain (loss) from inflation on monetary items	2275		-	-

Statement of financial results (Statement of comprehensive income) for 2024 (continued)

Item	Code	Note	2024	2023
1	2	3	4	5
Financial result before tax:				
Profit	**2290**		**258 253**	**244 492**
Loss	**2295**		-	-
Income tax (expenses)/income	2300	24	(38 143)	(44 701)
Gain (loss) on discontinued operations after tax	2305		-	-
Net financial result:				
Profit	**2350**		**220 110**	**199 791**
Loss	**2355**		-	-

II. COMPREHENSIVE INCOME

Найменування показника	Code	For the reporting period	For the same period of the previous year *Recalculated
1	2	3	4
Revaluation (impairment) of non-current assets	2400	-	-
Revaluation (impairment) of financial instruments	2405	-	-
Accumulated exchange rate differences	2410	-	-
Share of other comprehensive income of associates and joint ventures	2415	-	-
Other comprehensive income	2445	-	-
Other comprehensive income before taxation	2450	-	-
Income tax related to other comprehensive incom	2455	-	-
Other comprehensive income after tax	2460	-	-
Total income (sum of lines 2350, 2355 and 2460)	**2465**	**220 100**	**199 791**

ТОВАРИСТВО З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ «МЕБЕЛЬ СЕРВІС» *25650470* м. РАДЕХІВ ЛЬВІВСЬКА ОБЛ. УКРАЇНА

Yurii Liashchuk
Director
May 31, 2025

Halyna Liashok
Chief Accountant
May 31, 2025

		CODES		
	Date (year, month, day)	2025	01	01
Entity LIMITED LIABILITY COMPANY "MEBEL-SERVICE"	USREOU	25550470		

Statement of cash flows (direct method)
for 2024

Form № 3 SCMD Code 1801004

Item	Code	2024	2023
1	2	3	4
I. Cash flows from operating activities Proceeds from: Sales of products (goods, works, services)	3000	1 765 458	1 549 947
Refund of taxes and fees	3005	106 730	198 964
including value added tax	3006	106 730	198 917
Targeted financing	3010	24	27
Receipts from subsidies and grants	3011	-	-
Advances received	3015	278 630	261 698
Proceeds from the return of advances	3020	12 095	18 098
Proceeds from interest on current account balances	3025	104	52
Proceeds from debtors of forfeit (fines, penalties)	3035	14	736
Proceeds from operating leases	3040	-	-
Proceeds from royalties, author's fees	3045	-	-
Proceeds from insurance premiums	3050	-	-
Proceeds of financial institutions from loan repayment	3055	-	-
Other proceeds	3095	992	733
Payments for: Purchase of goods and services	3100	(1 192 047)	(1 142 344)
Salaries and wages	3105	(236 889)	(169 268)
Social security contributions	3110	(54 666)	(41 814)
Taxes and duties payable, incl.:	3115	(120 587)	(91 138)
Income tax payments	3116	(58 741)	(46 724)
Value added tax payments	3117	-	-
Other taxes and fees payments	3118	(61 846)	(44 414)
Advances made	3135	(406 408)	(419 986)
Repayment of advances	3140	(117)	(1 096)
Payments for targeted funds	3145	-	-
Payments of liabilities under insurance contracts	3150	-	-
Loans issued by financial institutions	3155	-	-
Other payments	3190	(22 050)	(19 207)
Net cash flow from operating activities	**3195**	**131 283**	**145 402**
II. Cash flows from investing activities Proceeds from the sale of: financial investments	3200	-	-
non-current assets	3205	5 849	10 561
Proceeds from received: Interest	3215	-	-
Dividends	3220	-	-
Proceeds from derivatives	3225	-	-
Proceeds from repayment of borrowings	3230	-	-
Proceeds from disposal of subsidiary and other business unit	3235	-	-
Other proceeds	3250	-	-
Payments for the acquisition of : financial investments	3255	-	-
non-current assets	3260	(93 527)	(87 856)

Statement of cash flows (direct method) for 2024 (continued)

Item	Code	2024	2023
1	2	3	4
Payments on derivatives	3270	-	-
Repayment of loans and borrowings	3275	-	-
Acquisition costs of subsidiaries and other business units	3280	-	-
Other payments	3290	-	-
Net cash flows from investing activities	**3295**	**(87 678)**	**(77 295)**
III. **Cash flows from financing activities** Proceeds from: Equity:	3300	-	-
Loans and borrowings received	3305	-	25 770
Proceeds from the sale of a share in a subsidiary	3310	-	-
Other proceeds	3340	443	3 101
Payments for: Repurchase of treasury stock	3345	-	-
Repayment of loans and borrowings	3350	(10 886)	(84 471)
Dividends	3355	-	-
Interest paid	3360	(739)	(1 264)
Repayment of finance lease debt	3365	(706)	(596)
Acquisition costs of an interest in a subsidiary	3370	-	-
Distributions to non-controlling interests in subsidiaries	3375	-	-
Other payments	3390	(216)	(262)
Net cash flows from financing activities	**3395**	**(12 104)**	**(57 722)**
Net cash flows for the reporting period	**3400**	**31 501**	**10 385**
Cash and cash equivalents as at the beginning of the year	3405	30 406	20 337
Effect of changes in foreign exchange rates on cash balance	3410	940	(316)
Cash and cash equivalents at the year-end	**3415**	**62 847**	**30 406**

МЕБЕЛЬ
25550470

Yurii Liashchuk
Director
May 31, 2025

Halyna Liashok
Chief Accountant
May 31, 2025

		CODES		
	Date (year, month, day)	2025	01	01
Entity: LIMITED LIABILITY COMPANY "MEBEL-SERVICE"	USREOU	25550470		

Statement of changes in equity
for 2024

Form № 4 SCMD Code 1801005

Item	Code	Share capital	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Unpaid capital	Total equity
1	2	3	5	6	7	8	10
Balance as at 31 December 2023	4000	**121 530**	**262**	**28 473**	**970 129**	**-**	**1 120 394**
Adjustments: Changes in accounting policy	4005	-	-	-	-	-	-
Correction of mistakes	4010	-	-	-	-	-	-
Other changes	4090	-	-	-	-	-	-
Adjusted balance at the beginning of the year	4095	**121 530**	**262**	**28 473**	**970 129**	-	**1 120 394**
Net profit (loss) for the reporting period	4100	-	-	-	220 110	-	220 110
Other comprehensive income for the reporting period	4110	-	-	-	-	-	-
Revaluation (impairment) of non-current assets	4111	-	-	-	-	-	-
Revaluation (impairment) of financial instruments	4112	-	-	-	-	-	-
Accumulated foreign exchange differences	4113	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	4114	-	-	-	-	-	-
Other comprehensive income	4116	-	-	-	-	-	-
Distribution of profits:							
Dividend payments to owners	4200	-	-	-	-	-	-
Transfer to share capital	4205	-	-	-	-	-	-
Contributions to reserve capital	4210	-	-	-	-	-	-
Amount of net profit payable to the budget in accordance with the law	4215	-	-	-	-	-	-
Amount of net profit for the creation of special (target) funds	4220	-	-	-	-	-	-
Amount of net profit for material incentives	4225	-	-	-	-	-	-
Contributions of participants:				-	-		
Contributions to share capital	4240	-	-	-	-	-	-
Repayment of capital contributions liabilities	4245	-	-	-	-	-	-

Statement of changes in equity for 2024 (continued)

Item	Code	Share capital	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Unpaid capital	Total equity
1	**2**	**3**	**5**	**6**	**7**	**8**	**10**
Equity withdrawal:							
Repurchase of shares	4260	6 076	-	-	-	-	6 076
Resale of repurchased shares	4265	-	-	-	-	-	-
Cancellation of repurchased shares	4270	-	-	-	-	-	-
Withdrawal of share in capital	4275	(6 076)	-	-	-	-	(6 076)
Reduction in the nominal value of shares	4280	-	-	-	-	-	-
Other changes in equity	4290	-	102	-	(387)	-	(285)
Purchase (sale) of non-controlling interest in a subsidiary	4291	-	-	-	-	-	-
Total changes in equity	**4295**	**-**	**102**	**-**	**219 723**	**-**	**219 825**
Balance as at 31 December 2024	**4300**	**121 530**	**364**	**28 473**	**1 189 852**	**-**	**1 340 219**

ОБЛАСТЬ, М. РАДЕХІВ
ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ
МЕБЕЛЬ
25550470
СЕРВІС
УКРАЇНА

Yurii Liashchuk
Director
May 31, 2025

Halyna Liashok
Chief Accountant
May 31, 2025

		CODES		
	Date (year, month, day)	2024	01	01
Entity: LIMITED LIABILITY COMPANY "MEBEL-SERVICE"	USREOU	25550470		

**Statement of changes in equity
for 2023**

Form № 4 SCMD Code 1801005

Item	Code	Share capital	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Unpaid capital	Total equity
1	2	3	5	6	7	8	10
Balance as at 31 December 2022	4000	**121 530**	**418**	**28 486**	**773 673**	-	**924 107**
Adjustments: Changes in accounting policy	4005	-	-	-	-	-	-
Correction of mistakes	4010	-	-	-	(2 923)	-	(2 923)
Other changes	4090	-	-	-	-	-	-
Adjusted balance at the beginning of the year	4095	**121 530**	**418**	**28 486**	**770 750**	-	**921 184**
Net profit (loss) for the reporting period	4100	-	-	-	199 791	-	199 791
Other comprehensive income for the reporting period	4110	-	-	-	-	-	-
Revaluation (impairment) of non-current assets	4111	-	-	-	-	-	-
Revaluation (impairment) of financial instruments	4112	-	-	-	-	-	-
Accumulated foreign exchange differences	4113	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	4114	-	-	-	-	-	-
Other comprehensive income	4116	-	-	-	-	-	-
Distribution of profits:							
Dividend payments to owners	4200	-	-	-	-	-	-
Transfer to share capital	4205	-	-	-	-	-	-
Contributions to reserve capital	4210	-	-	-	-	-	-
Amount of net profit payable to the budget in accordance with the law	4215	-	-	-	-	-	-
Amount of net profit for the creation of special (target) funds	4220	-	-	-	-	-	-
Amount of net profit for material incentives	4225	-	-	-	-	-	-
Contributions of participants:				-	-		
Contributions to share capital	4240	-	-	-	-	-	-
Repayment of capital contributions liabilities	4245	-	-	-	-	-	-

Statement of changes in equity for 2023 (continued)

Item	Code	Share capital	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Unpaid capital	Total equity
1	2	3	5	6	7	8	10
Equity withdrawal:							
Repurchase of shares	4260	-	-	-	-	-	-
Resale of repurchased shares	4265	-	-	-	-	-	-
Cancellation of repurchased shares	4270	-	-	-	-	-	-
Withdrawal of share in capital	4275	-	-	-	-	-	-
Reduction in the nominal value of shares	4280	-	-	-	-	-	-
Other changes in equity	4290	-	(156)	(13)	(412)	-	(581)
Purchase (sale) of non-controlling interest in a subsidiary	4291	-	-	-	-	-	-
Total changes in equity	**4295**	**-**	**(156)**	**(13)**	**199 379**	**-**	**199 210**
Balance as at 31 December 2023	**4300**	**121 530**	**262**	**28 473**	**970 129**	**-**	**1 120 394**

Yurii Liashchuk
Director
May 31, 2025

Halyna Liashok
Chief Accountant
May 31, 2025

NOTES TO THE FINANCIAL STATEMENTS

1. Basic information about the company and its activities

LIMITED LIABILITY COMPANY "MEBEL-SERVICE" (hereinafter "the Company") was incorporated in April 1998 in the village of Gogoliv, Radekhiv district, Lviv region.

The Company's principal activities include:

- production and trade of furniture;
- production of wooden blanks for furniture and wooden floorboards;
- brick production;
- provision of transportation services;
- construction of residential and non-residential buildings;
- production of heat and electricity.

The actual address of the Company: Ukraine, 08200, Lviv region, Radekhiv district, Radekhiv city, Vytkivska street, 44.

The average number of employees of MEBEL-SERVICE LLC in 2024 was 1 520 people (2023 – 1 528 people).

The beneficiary owner of the company is an individual - Yurii Liashchuk.

2. The operating environment

The full-scale war, which began in February 2022 with russia's armed invasion, continues across the entire territory of Ukraine. These events are causing significant destruction of infrastructure, displacement of large numbers of people, and disruption of economic activity in Ukraine. In 2023, after the sharpest downturn at the beginning of the war, Ukraine's economy began to gradually recover, and GDP grew by 5%. In 2024, the Ministry of Economy forecasts GDP growth of 4.6%.

In 2024, core inflation accelerated to 10.7%. In the early months of 2025, inflation is likely to continue rising due to the ongoing impact of both temporary factors — such as lower crop yields — and fundamental ones, such as business cost pressures related to energy supply and labor payments, as well as the effects of the weakening of the hryvnia exchange rate.

At the same time, the National Bank of Ukraine (NBU) expects inflation to return to a steady downward trajectory in the second half of 2025 and move toward the NBU's target of 5% over the policy horizon. Measures contributing to the decline in inflation will include, in particular, the NBU's interest rate and exchange rate policies, higher harvests, improvements in the energy sector, a reduction in the fiscal deficit, and moderate external price pressure.

Inflation risks remain significant in wartime conditions. One such risk is the financing of a substantial state budget deficit. Given the need to maintain defense capabilities, budget expenditures this year and next are likely to exceed earlier expectations. Ensuring the financing of these expenditures will depend not only on the continuation of substantial volumes of external assistance, but also on increased use of domestic sources — in particular, through higher taxes and expanded borrowing in the government bond market (DGB).

The National Bank of Ukraine (NBU) decided to keep the key policy rate at 13.0% per annum as of September 20, 2024.

The NBU's ability to maintain foreign exchange market stability remains strong. Thanks to external financing, Ukraine's international reserves exceeded USD 42 billion in August.

The framework for external assistance in the coming years is gradually taking shape, in light of the staff-level agreement on the fifth review of the Extended Fund Facility (EFF) program with the IMF. This decision will unlock financing for Ukraine amounting to approximately USD 1.1 billion. The next program review is scheduled for December.

In the first half of 2024, Ukraine's economy proved more resilient than the IMF had anticipated and continued to grow. At the same time, the Fund downgraded its economic forecast for 2024–2025, primarily due to russia's ongoing attacks on Ukraine's energy infrastructure and the overall uncertainty surrounding the war. The key risk to macro-financial stability remains the full-scale russian invasion of sovereign Ukrainian territory, which is ongoing. The consequences of the war are changing daily, and their long-term impact is impossible to determine. The further impact on Ukraine's economy will depend on how the full-scale war ends, the successful implementation of new reforms by the Ukrainian government, the country's recovery and transformation strategy aimed at EU membership, as well as cooperation with international institutions.

Against the backdrop of anticipated debt restructuring negotiations between the Government and private creditors, the international credit rating agency Standard & Poor's downgraded Ukraine's long-term foreign currency sovereign rating from "CCC" to "CC" with a negative outlook on March 8, 2024. In 2024, Ukraine's sovereign ratings were significantly influenced by the debt restructuring process. On July 24, the international rating agency Fitch downgraded Ukraine's Long-Term Foreign Currency Issuer Default Rating (IDR) from "CC" to "C", and on August 13 — from "C" to "RD" (Restricted Default). The "RD" rating was reaffirmed on both September 5 and December 6. Meanwhile, Fitch affirmed Ukraine's Short-Term Foreign Currency IDR at "C" on July 24, August 13, and September 5. On August 2, 2024, S&P also downgraded both its long-term and short-term sovereign credit ratings for Ukraine in foreign currency from "CC/C" to "SD/SD" due to a missed coupon payment amid the ongoing debt restructuring.

As a result, Ukraine is experiencing circumstances that significantly impact the operations of companies. These include ongoing hostilities within the country, fluctuations of the national currency — which is not freely convertible outside Ukraine — currency restrictions and controls, high inflation, a shortage of working capital, and consistently sharp increases in raw material and service prices, among others. Given the rapid developments and unpredictability of the war, it may take time to assess the full economic consequences. The government has identified defense and social expenditures as priorities and has continued to meet its external debt obligations. Companies continue paying taxes, ensuring the circulation of funds within the country's financial system. Since the beginning of the full-scale military invasion, active hostilities have persisted, resulting in thousands of civilian casualties.

Furniture market (2024)

The year 2024 became a year of both challenges and opportunities for the Ukrainian furniture industry, offering a chance to rethink business processes and adapt to new conditions. The war continues to affect logistics, production, and exports; however, international support and the opening of new markets have become drivers of renewed economic activity.

Despite these difficulties, Ukrainian furniture manufacturers achieved export growth in 2024, even amid a significant labor shortage, estimated by producers at 30–40%. Cost optimization and maintaining competitive pricing were supported by grant assistance—both from the state and international donors—which enabled manufacturers to upgrade equipment and increase productivity. According to estimates, around 50 of the most active producers (out of approximately 11,000 enterprises) received state support, many of them with the aim of scaling up and transitioning from small to medium-sized businesses. As for micro-businesses, they increasingly chose narrow specialization and sought out partnerships.

During the period from 2020 to 2024, Ukraine's furniture industry experienced fluctuations in revenue levels, reflecting the impact of external crises, particularly the war, logistical challenges, and declining consumer purchasing power. The year 2021 was the peak of the period: industry revenue grew by 33% compared to 2020 and reached over UAH 42.5 billion. In 2022 and 2023, there was a significant decline—first by 25%, and then by another 19%—demonstrating the severe consequences of the full-scale war and domestic market destabilization. In contrast, 2024 marked a strong recovery, with revenue increasing by 56% and exceeding UAH 40.4 billion, effectively returning to 2021 levels.

This dynamic suggests that the industry is adapting to new conditions, reorienting toward exports, or experiencing a recovery in domestic consumption. According to the industry association, Ukraine's furniture sector demonstrates strong potential for recovery, provided a stable environment and continued support are in place.

Ukraine demonstrated moderate GDP growth of 3.8%, driven by international support and business resilience. However, the main challenges included:

1. Power outages due to missile strikes.
2. Labor shortages caused by mobilization and migration.
3. Rising inflation, which reached 11% by year-end, reducing purchasing power.

In 2024, Ukrainian furniture manufacturers exported products worth $909 million, a 15.5% increase compared to the previous year. Combined, the woodworking and furniture sectors rank among the top 10 product groups in Ukraine's merchandise exports, accounting for 5.7% of total goods exports.

The main export markets remain:

1. Poland (POL) – 28.6%
2. Germany (DEU) – 21.1%
3. Denmark (DNK) – 5.6%
4. Austria (AUT) – 5.2%
5. Belgium (BEL) – 5.1%
6. Romania (ROU) – 3.1%
7. France (FRA) – 3.1%
8. United Kingdom (GBR) – 2.5%
9. Other countries – 25.9%

One notable development is the return of IKEA as a buyer, sourcing a wide range of furniture items. Additionally, the number of exporters supplying large companies is growing—this includes both small and medium-sized enterprises that have increasingly turned to export due to a significantly reduced domestic market.

Overall, in 2024, Ukraine's furniture industry faced severe challenges caused by the full-scale war and significant structural shifts. Nevertheless, it demonstrated adaptability and resilience—through exploring new markets, seizing opportunities, and uniting around common challenges. Continued support and strategic development will be essential to enable the industry's recovery once hostilities end.

The renewable energy market (2024)

Despite the real challenges posed by the ongoing war, solar energy remains a strategically important area for the development of renewable energy in Ukraine. Today, solar power plants have a portfolio of around 1,400 generation facilities of various capacities.

However, development in regions that were previously considered promising for industrial solar power plant (SPP) deployment has largely been put on hold due to the war and heightened risks for investors. As a result, the solar sector has undergone a transformation in terms of both the geographical distribution of new facilities and the primary objectives of generation segments.

In 2024, Ukraine saw a growth in solar power capacity, driven mainly by investments from businesses and households. The total capacity of solar power plants increased by approximately 800–850 MW, and solar energy's share in Ukraine's total electricity production exceeded 6%. Solar energy remains the most popular type of renewable generation compared to wind, hydro, and bioenergy, accounting for 75% of all renewable energy installations. Producers actively utilize state support via the feed-in tariff mechanism—97% of solar power plants operate under this scheme.

According to the NEURC (National Energy and Utilities Regulatory Commission) registry, as of April 24, 2024, Ukraine had 1,369 solar power plants operated by 931 licensed producers. In total, about 5,900 MW of industrial solar capacity and over 1,200 MW of small home solar systems are installed in government-controlled areas. These facilities have also suffered significant losses due to ongoing hostilities.

Roughly half of all solar plants are located in six regions: Ivano-Frankivsk (142), Dnipropetrovsk (134), Vinnytsia (122), Khmelnytskyi and Kyiv (107 each), and Mykolaiv (92). The lowest numbers are found in Luhansk and Donetsk (2 each), Sumy (5), and Poltava (7). During the war, the most attractive regions for new solar development have been Ivano-Frankivsk, Kirovohrad, Lviv, and Kyiv. Around 60% of all licenses for solar electricity production have been issued for facilities in these regions. In April 2024 alone, three new solar plants were commissioned in Kirovohrad, Odesa, and Cherkasy regions.

Since February 24, 2022, Ukrainian energy infrastructure has been under constant missile and drone attacks, withstanding hundreds of russian strikes. At least 13% of industrial solar plants have been damaged or destroyed. An additional 62 industrial SPPs with over 950 MW of installed capacity are currently located in temporarily occupied territories.

In Ukraine, the total installed capacity of wind power plants (WPPs) stands at 1.9 GW. However, in 2024, the pace of WPP deployment slowed significantly: only 44.6 MW was installed, compared to 238 MW in 2023. This included 13 used turbines with a total capacity of 24 MW. Large wind farms are concentrated in Zaporizhzhia, Mykolaiv, Odesa, and Lviv regions.

Renewable energy producers continue to rely heavily on the state support mechanism via the feed-in tariff—97% of power plants benefit from this. However, the sector, especially industrial solar power producers, remains heavily affected by debts owed by the state-owned enterprise "Guaranteed Buyer" under the feed-in tariff. These debts are linked to the impacts of war, non-market electricity pricing mechanisms, reduced consumer solvency, and payment delays.

In 2024, "Guaranteed Buyer" paid nearly UAH 58 billion to renewable energy producers. Total payments for electricity produced from renewables and purchased between 2021 and 2024 amounted to UAH 57.95 billion.

In 2024, Ukraine enacted major legislative changes in the renewable energy sector. These included laws aimed at stimulating the sector's development, such as the introduction of the market premium mechanism and guarantees of origin for electricity. Additionally, the National Renewable Energy Action Plan through 2030 was adopted, along with annual renewable energy support quotas.

Future economic and political stabilization will largely depend on the Ukrainian government's success. However, further developments remain difficult to forecast. The management assesses the current impact of political and economic challenges on the Company as moderately constrained due to a significant share of export sales, access to international financial markets, and the location of key production facilities away from active combat zones.

Under the current circumstances, management continues to monitor external risks and is taking all necessary and appropriate measures to mitigate potential negative impacts and ensure the Company's operational stability. Given the ongoing instability and unpredictability of external factors, further adverse effects on the Company's performance and financial position may arise, though their nature and extent cannot be reliably estimated at this time. Future business conditions may differ from management's current assessment.

3. Basis of Preparation, Approval and Presentation

In its accounting policy, the Company is guided by the principles of transparency, relevance, comparability, reliability, prudence, accuracy, completeness of disclosure, substance over form, consistency, accrual basis and matching of income and expenses (the results of transactions and other events are recognized when they occur, not when cash is received or paid, and are reflected in the financial statements of the period to which they relate), periodicity, historical cost, and a single monetary measurement unit.

The Company maintains its accounting in accordance with the requirements of the applicable laws of Ukraine, the Law of Ukraine "On Accounting and Financial Reporting", International Financial Reporting Standards (IFRS), and the Company's Accounting Policy.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), based on the historical cost principle, and the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" applicable to the preparation of financial statements. The Company's financial statements have been prepared using the forms defined in Annex 1 to the National Accounting Standard (NAS) No. 1 "General Requirements for Financial Reporting", approved by Order of the Ministry of Finance of Ukraine dated February 7, 2013, No. 73, which are mandatory for use in Ukraine.

In accordance with paragraph 5 of Article 121 of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine", all entities that are required to prepare and submit their financial statements under IFRS must do so using the IFRS financial reporting taxonomy in a single electronic format ("iXBRL"). The Company's management plans to prepare and submit the iXBRL report during 2025.

These financial statements have been prepared on a historical cost basis, unless otherwise specified in the significant accounting policies.

The financial statements are presented in Ukrainian hryvnias, and all amounts are rounded to the nearest thousand (UAH thousand), unless otherwise stated. The items in these financial statements are measured and presented in the national currency of Ukraine, the hryvnia, which is the Company's functional and presentation currency.

Transactions denominated in a currency other than the respective functional currency are translated into the functional currency using the exchange rates set by the National Bank of Ukraine. Exchange differences arising from the settlement of such transactions and from the translation of monetary items at year-end exchange rates are recognized in profit or loss. Non-monetary items measured at historical cost are translated at the exchange rate on the date of the transaction.

The following exchange rates were used for the preparation of these financial statements:

	As of 31.12.2024	Average for 2024	As of 31.12.2023	Average for 2023
UAH/US dollar	42,039	40,159	37,9824	36,5738
UAH/Euro	43,9266	43,4588	42,2079	39,5582
UAH / Polish zloty	10,2966	10,0939	9,7333	8,7130

4. Going concern

Since February 24, 2022, the russian federation has launched an unprovoked full-scale military aggression against Ukraine. As of today, active military conflict continues in certain cities in the south and east of Ukraine.

Due to the military aggression of the russian federation against Ukraine, the period of martial law in Ukraine has been extended by Presidential Decree No. 235/2025 dated April 15, 2025 (effective from 5:30 a.m. on May 9, 2025, for a period of 90 days).

The war in Ukraine has resulted in civilian casualties and the destruction of civilian infrastructure, forcing people to flee their homes in search of safety, protection, and assistance. Within the first five weeks of the war, more than four million refugees from Ukraine crossed borders into neighboring countries, and many others were displaced within the country.

Although both the Company's assets and its operations are located outside the areas directly affected by the war, the ongoing hostilities after the reporting date create significant uncertainty for the Company's future, including the risk of property loss due to air raids and missile strikes, as well as a potential shortage of clients and personnel due to population displacement and restrictions imposed under martial law in Ukraine. The full extent of the potential impact of further developments in the war on the Company's business is unknown, but the consequences could be severe.

Management acknowledges that the future course and duration of military actions constitute the sole source of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and, as a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Despite this material uncertainty related to the war in Ukraine, management continues to take measures to minimize its impact on the Company and therefore believes that the going concern assumption remains appropriate for the preparation of these financial statements.

5. Significant accounting policies

Property, plant and equipment. The Company applies the cost model to account for property, plant and equipment. In accordance with this model, the cost of property, plant and equipment is measured on the basis of purchase price, namely, the purchase price of the asset or the cost of construction and all other direct costs that are directly attributable to bringing the asset to a condition for its intended use and the costs of demolition, removal and restoration of the site on which it is located.

Subsequent costs are included in the asset's book value or recognized as a separate item of property, plant and equipment only when the Company expects future economic benefits associated with the item and its cost can be measured reliably. Costs of replacing major parts or components of property, plant and equipment are capitalized and the replaced part is retired. The costs of minor repairs and maintenance are charged to expense as incurred.

Subsequent to initial recognition, property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Capital investments include expenditures for the acquisition and construction of property, plant and equipment. Capital investments at the financial statements date are measured at cost less any accumulated impairment losses.

Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the sum of the estimated disposal proceeds with the net book value of the item and are recognized in profit or loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Depreciation and amortization begins from the date of acquisition or from the date an internally constructed asset is completed and ready for use. Land and construction in progress are not depreciated.

The estimated useful lives of the assets are as follows:

	Useful life, years
Buildings	20
Constructions	10
Transmitting devices	15
Vehicles	5
Machinery and equipment	5
Tools and appliances	4
Other fixed assets	12

Low-value non-current tangible assets with a useful life of more than one year and a cost of less than UAH 20 thousand (excluding VAT) are depreciated at 100% of their original cost in the first month of use.

Impairment of non-financial assets. Depreciable assets are reviewed for possible impairment whenever events or changes in circumstances indicate that the full book value may not be recoverable. An impairment loss is recognized for the amount by which the net asset's book value exceeds its recoverable amount. An asset's recoverable amount is its fair value less costs to sell or its value in use, whichever is higher. For the purpose of assessing impairment, assets are grouped at the lowest level at which there are separate and distinguishable cash flows (cash-generating units). Non-financial assets that have been impaired are assessed at each reporting date to determine whether the impairment has been reversed.

Inventories. Inventories are measured at the lower of their cost and net realizable value, including provision for possible impairment. Net realizable value represents the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

The cost of inventories includes all costs of purchase, processing and other costs incurred in bringing them to their existing location and condition.

The Company includes the following items in the calculation of production cost of products (works, services):
- raw materials and supplies;
- purchased components, semi-finished products, works and services of a production nature from third-party enterprises and organizations;
- fuel and energy for technological purposes;

- return waste (deductible): the cost of leftover raw materials, materials, and other valuables that were generated in the production process and partially or completely lost their original consumer characteristics, and therefore cannot be used for their original purpose or are used, but at increased costs;
- basic salary of production employees;
- additional wages of production workers: expenses for payment of additional wages to the production staff of the enterprise accrued for work in excess of the established norms, for work achievements and inventions, and for special working conditions;
- contributions to the social security system;
- overall production costs;
- costs of eliminating the technically unavoidable defects.

Overall production costs are allocated to each cost object using the allocation base - the target price. The chosen allocation base is established in accordance with paragraph 2.15 of the Order of the Ministry of Finance dated 27.06.2013 No. 635 "On Approval of Recommendations on the Accounting Policy of the Enterprise and Amendments to Certain Orders of the Ministry of Finance of Ukraine".

The cost of inventories is determined on the first-in, first-out basis for all inventories.

Financial assets. Financial assets are classified upon initial recognition as those to be measured subsequently at either amortized cost or fair value based on both of the following:

a) the entity's business model for managing the financial assets;
b) the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met:

a) the asset is held in a business model whose objective is to hold the assets to collect the contractual cash flows;
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.

Amortized cost is calculated using the effective interest rate method and is measured net of any impairment losses. Premiums and discounts, including initial transaction costs, are included in the net book value of the related instrument and amortized based on the effective interest rate of the instrument.

Financial instruments that are held to collect contractual cash flows and are available for sale are classified as at fair value through other comprehensive income. Financial instruments held for other purposes are classified as at fair value through profit or loss.

The Company reclassifies financial assets when its business model or contractual cash flow characteristics change.

As at 31 December 2024 none of the Company's financial assets were classified as financial assets at fair value through profit or loss, available-for-sale investments, or held-to-maturity investments.

The Company classifies all financial assets into the amortized cost category.

The Company's main financial assets are represented by trade and other receivables, cash and cash equivalents. Financial assets are initially recognized at fair value plus directly attributable transaction costs. The fair value at initial recognition is best evidenced by the transaction price.

A gain or loss on initial recognition is recognized only if there is a difference between fair value and transaction price which can be evidenced by current market transactions in the same instrument or by a valuation technique whose inputs include only observable market data. Upon initial recognition of financial assets measured at fair value, a valuation allowance for expected credit losses is recognized, which results in the recognition of an accounting loss immediately after initial recognition of the asset.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Company commits to purchase the asset. Regular way purchases and sales are purchases and sales of financial assets that require delivery of assets within the terms generally established by regulation or market convention.

Derecognition of financial assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized if: (a) the contractual rights to the cash flows have expired:

- The rights to receive cash flows from the asset have expired;
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset;
- the Company has transferred its rights to receive cash flows from the asset or has entered into a qualifying pass-through arrangement in which it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the new asset is recognized to the extent of the Company's continuing involvement in the transferred asset. In this case, the Company also recognizes a liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations retained by the Company.

Impairment of financial assets. The Company estimates expected credit losses using forward-looking information for financial assets carried at amortized cost at each reporting date.

For all financial assets, the Company applies a general approach to calculating expected credit losses, according to which, at each reporting date, the Company estimates a loss allowance equal to the expected lifetime credit losses if the credit risk on such financial assets has increased significantly since initial recognition. If, as of the reporting date, the credit risk has not increased significantly since initial recognition, the Company estimates the allowance for losses on such financial assets in an amount equal to 12-month expected credit losses.

Expected credit losses are estimated based on the maximum contractual period during which the Company is exposed to credit risk.

The expected credit loss is the present value of the difference between the cash flows payable to the Company under the contract and the cash flows that the Company expects to receive. The amount of the expected credit loss is updated at each reporting date to reflect changes in credit risk since the initial recognition of the financial asset.

The Company assesses at each reporting date whether the credit risk on financial assets has increased significantly since initial recognition. When making this assessment, the Company uses the change in the risk of default (non-fulfillment of obligations) over the expected life of the financial asset instead of the change in the amount of expected credit losses. The Company performs such an assessment by comparing the risk of default (non-fulfillment of obligations) on a financial asset as of the reporting date with the risk of default as of the date of initial recognition, and takes into account reasonably necessary and supportable information that is available without undue cost or effort and indicates a significant increase in credit risk since initial recognition.

The Company makes a rebuttable presumption that default will occur no later than when the financial asset becomes 90 days past due, unless it has reasonably available and supportable information that demonstrates that a longer past due date is more appropriate.

The Company may presume that the credit risk on a financial asset has not increased significantly since initial recognition if it is determined that the financial asset has a low level of credit risk as of the reporting date. Credit risk is considered to be low if the financial asset has a low risk of default, the borrower has a strong ability to meet its contractual cash flow obligations in the short term, and adverse changes in economic and business conditions in the longer term may reduce, but not necessarily eliminate, the borrower's ability to meet its contractual cash flow obligations.

The Company makes a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition if contractual payments are overdue by more than 30 days.

Financial liabilities. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs. After initial recognition, all of the Company's financial liabilities are measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in profit or loss when the borrowings are settled and through the effective interest rate method. The amortized cost is calculated by taking into account any premium or discount on acquisition and income or expense included in the calculation of the effective interest rate. Amortization using the effective interest method is included in finance costs in the statement of comprehensive income.

The Company uses the practical expedient that the amortized cost of financial liabilities with maturities of less than one year and repayable at the request of the lender is equal to their nominal value.

The Company's financial liabilities are included in trade and other payables in the statement of financial position. The Company determines the classification of its financial liabilities at initial recognition. The Company has no financial liabilities at fair value through profit or loss.

Derecognition of financial liabilities. A financial liability is derecognized when the obligation is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in their respective carrying amounts is recognized in the statement of comprehensive income.

Trade and other receivables. Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

The net book value of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement within other operating expenses. When a trade receivable becomes uncollectible, it is written off through the allowance account. Refunds of amounts previously written off are credited to other operating expenses.

Cash and cash equivalents. Cash and cash equivalents are assets that are readily convertible to known amounts of cash at short notice and are subject to an insignificant risk of changes in value. Cash and cash equivalents include unrestricted bank balances and term deposits with original maturities of three months or less. Funds that are restricted for more than three months from the date of placement are excluded from cash and cash equivalents.

Prepayments. Prepayments are carried at cost less provision for impairment. Prepayments to acquire an asset are added to the net book value of the asset when the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are recognized in profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying amount of the prepayment is written down and a corresponding impairment loss is recognized in profit or loss for the year.

Provisions for liabilities and charges. Provisions are recognized when the Company has a present obligation as a result of a past event, and 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.

Revenue recognition. The Company's revenue is generated from the sale of goods and services. Revenue is measured based on the consideration specified in the contract with the customer. The Company recognizes revenue when control over the goods or services is transferred to the customer.

Since the majority of the Company's revenue is derived from the sale of goods, revenue is generally recognized at a point in time when the goods are delivered to the customer, i.e. when control of the goods passes. Delivery occurs when the products have been shipped to a specific location, the risks of obsolescence and hazards of ownership have been transferred to the customer, or when the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been met.

Guarantees and discounts exist but do not represent a separate performance obligation and do not affect revenue recognition. Revenue is not recognized if it is probable that no economic benefits will flow to the Company.

The amount of revenue recognized in respect of performance obligations over time is not material. Revenue is recognized in the Statement of Comprehensive Income, net of VAT, returns and discounts.

Expenses. Expenses are recognized as an expense of a particular period at the same time as the income to which they relate is recognized. Expenses that cannot be related to the income of a particular period are recognized as expenses of the reporting period in which they are incurred: administrative expenses, selling and other operating expenses.

Value added tax (VAT). In Ukraine, VAT is charged at the following rates: 20% on domestic sales and imports of goods, works and services, 0% on exports of goods, and 14% on sales of agricultural products. A taxpayer's VAT liability is equal to the total amount of VAT collected during the reporting period and arises on the earlier of the date of shipment of goods to customers or the date of receipt of payment from customers, and for exports, the date of customs clearance of the exported goods.

A VAT credit is an amount for which a taxpayer is allowed to offset VAT against a liability in the reporting period. For domestic and export transactions, the right to a VAT refund arises upon registration of a tax invoice issued on the earlier of the date of payment to the supplier or the date of receipt of goods. When an impairment of receivables is recognized, an impairment loss is recognized for the gross amount of the receivable, including VAT. VAT refunded in cash by the government is included in the Company's assets.

Current income tax expense. The current income tax charge is calculated in accordance with the Ukrainian tax regulations. Current tax assets and liabilities for the reporting period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the end of the reporting period.

Taxable profits or losses are based on estimates where financial statements are authorized prior to the filing of tax returns.

Taxes other than on income are recorded as a component of operating expenses.

Deferred income tax. Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred tax is not recorded for temporary differences on initial recognition of an asset or a liability that affects neither the financial result nor taxable profit in a transaction other than a business combination.

Deferred tax assets and liabilities are measured at tax rates that have been enacted or substantively enacted at the end of the reporting period and are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilized. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

6. Significant accounting judgments, estimates and assumptions

The application of the Company's accounting policies, which are described in Note 5, requires management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are believed to be relevant under the circumstances. Actual results may differ from these estimates.

Estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only the period of the revision or the period to which the revision relates and in future periods if the revision affects both current and future periods.

Useful life of property, plant and equipment. The Company depreciates property, plant and equipment on a straight-line basis over the estimated useful lives of the assets. The periodic depreciation charge is based on the estimated useful life of the asset and its estimated residual value at the end of its useful life. The estimated useful life is based on historical experience with similar assets and the expectation of future events that may affect their use, such as changes in technology. The estimated useful lives are reviewed at least annually.

Inventory impairment. Management measures inventories at the lower of cost and net realizable value, including provision for possible impairment. If the cost of inventories is not fully recoverable, the net book value of such inventories is adjusted to their net realizable value.

Estimation of allowance for expected credit losses. The Company estimates the allowance for expected credit losses at the end of each reporting period. When establishing the allowance, management assesses the probability of repayment of current receivables based on an analysis of individual counterparties. For this purpose, the historical default experience of the debtor is considered, and the current situation is assessed taking into account the forecast information relating to the debtor. The application of this approach to calculating the amount of possible impairment of financial assets requires management to make judgments and assumptions based on reasonably necessary and supportable information that is available to the Company without undue cost or effort.

Management's estimate of expected credit losses on loan commitments corresponds to the difference between contractual cash flows and cash flows expected to be received. If the actual amounts collected were less than management's estimates, the Company would have to record additional impairment charges.

Recognition of deferred tax assets. The extent to which a deferred tax asset can be recognized is determined based on the probability that taxable profit will be available against which deductible temporary differences carried forward from unused tax assets and unused tax losses can be used.

7. Adoption of new and revised standards

At the time of preparation of these financial statements, new standards, amendments, and interpretations to existing standards had been issued but were not yet effective and had not been early adopted by the Company.

The Company's management expects that all relevant changes will be adopted in the accounting policy of the Company during the first period beginning after the effective date. Information on the new standards, amendments, and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

The following standards, amendments to standards, and interpretations were issued as of the date these financial statements were authorized for issue but were not yet effective for the year ended December 31, 2024:

	EffectiveDate
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* – "Lack of Exchangeability"	January 1, 2025
Amendments to IFRS 7 *Financial Instruments: Disclosures* and IFRS 9 *Financial Instruments* – "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 7 *Financial Instruments: Disclosures*	January 1, 2026
Amendments to IFRS 9 *Financial Instruments*	January 1, 2026
Amendments to IFRS 10 *Consolidated Financial Statements*	January 1, 2026
IAS 7 *Statement of Cash Flows*	January 1, 2026
IFRS 18 *Presentation and Disclosure in Financial Statements*	January 1, 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	January 1, 2027

The Company's management is currently assessing the impact of the amendments and new standards on the Company's financial statements in future periods.

8. Property, plant and equipment

	Plant	Buildings	Equipment and machinery	Vehicles	Other equipment and devices	Energy generating assets	Other	Construction in progress	Total
Initial cost									
As at 31 December 2022	**1 641**	**167 545**	**266 073**	**85 044**	**6 184**	**180 413**	**5 764**	**65 788**	**778 452**
Additions	-	37 017	39 967	30 933	943	287	1 091	(45 608)	64 630
Transfers to current assets held for sale	-	-	-	(2 806)	-	-	-	-	(2 806)
Disposals	-	(218)	(1 030)	(4 130)	-	-	-	-	(5 378)
As at 31 December 2023	**1 641**	**204 344**	**305 010**	**109 041**	**7 127**	**180 700**	**6 855**	**20 180**	**834 898**
Additions	-	37 488	20 587	28 068	792	2 209	1 317	10 736	101 157
Transfers to current assets held for sale	-	-	-	(3 704)	-	-	-	-	(3 704)
Disposals	-	-	-	(6 813)	-	-	-	(148)	(6 961)
As at 31 December 2024	**1 641**	**241 792**	**325 597**	**126 592**	**7 919**	**182 909**	**8 172**	**30 768**	**925 390**
Accumulated depreciation and amortization									
As at 31 December 2022	**-**	**63 058**	**183 929**	**60 022**	**4 770**	**68 911**	**3 051**	**-**	**383 741**
Depreciation expense for the period	-	(10 137)	(28 727)	(10 915)	(566)	(15 207)	(1 261)	-	(66 813)
Disposals	-	57	1 030	4 185	-	-	-	-	5 272
As at 31 December 2023	**-**	**(73 138)**	**(211 626)**	**(66 752)**	**(5 336)**	**(84 118)**	**(4 312)**	**-**	**(445 282)**
Depreciation expense for the period	-	(10 896)	(30 229)	(16 022)	(756)	(15 199)	(2 051)	-	(75 153)
Disposals	-	-	-	6 749	-	-	-	-	6 749
As at 31 December 2024	**-**	**(84 034)**	**(241 855)**	**(76 025)**	**(6 092)**	**(99 317)**	**(6 363)**	**-**	**(513 686)**
Net book value									
As at 31 December 2024	**1 641**	**157 758**	**83 742**	**50 567**	**1 827**	**83 592**	**1 809**	**30 768**	**411 704**
As at 31 December 2023	**1 641**	**131 206**	**93 384**	**42 289**	**1 791**	**96 582**	**2 543**	**20 180**	**389 616**
As at 31 December 2022	**1 641**	**104 487**	**82 144**	**25 022**	**1 414**	**111 502**	**2 713**	**65 788**	**394 711**

As at 31 December 2024, property, plant and equipment at net book value were pledged as collateral for loans received from banks: UAH 34 748 thousand (31 December 2023: UAH 41 563 thousand).

As at 31 December 2024, property, plant and equipment at cost: UAH 183 964 thousand are 100% depreciated (31 December 2023: UAH 267 518 thousand).

The net book value of capital investments in progress in intangible assets that were not put into operation as at 31 December 2024 amounted to UAH 0 thousand (31 December 2023: UAH 302 thousand).

Expenses relating to short-term leases, leases of low-value assets and leases with an uncertainty of the leased object included in cost of sales, administrative and other operating expenses amounted to UAH 6 545 thousand (2023: UAH 5 543 thousand). Total payments for lease services in 2024 amounted to UAH 8 457 thousand (2023: UAH 6 677 thousand).

9. Inventories

As at 31 December, the Company's inventories were as follows:

	31 December 2024	31 December 2023
Production inventories	452 182	429 436
Semi-finished products	137 004	141 775
Finished goods	17 071	11 469
Goods in stock	109	395
Work in progress	-	94
Total	**606 366**	**583 169**

As at 31 December 2024 and 31 December 2023, the Company's inventories did not have the signs of impairment and were not pledged as collateral to ensure obligations.

10. Financial instruments

As at 31 December, the Company's financial instruments are represented by the following categories:

	31 December 2024	31 December 2023
Financial assets		
Trade accounts receivable for goods, works, services	373 659	289 608
Other current receivables	247	5 276
Cash and cash equivalents	62 847	30 406
Total	**436 753**	**325 290**

	31 December 2024	31 December 2023
Financial liabilities		
Long-term loans from banks	(2 713)	(8 852)
Long-term finance lease liabilities	(486)	(978)
Short-term loans from banks	-	(4 221)
Current payables on long-term liabilities	(7 087)	(6 829)
Current payables for goods, works and services	(115 164)	(118 106)
Other payables	(8 755)	(13 035)
Total	**(134 205)**	**(152 021)**

11. Trade accounts receivable for goods, works, services

As at 31 December, the Company's accounts receivable for goods, works and services were as follows:

	31 December 2024	31 December 2023
Trade accounts receivable:		
- _in national currency_	298 054	267 492
- _in foreign currency_	116 343	115 286
Less: expected credit loss allowance	(40 738)	(93 170)
Total	**373 659**	**289 608**

As at 31 December 2024, trade receivables from the Company's five largest debtors, determined on a net basis, amounted to UAH 306,840 thousand or 82% of total receivables (31 December 2023: UAH 230,968 thousand or 80%).

The table below shows trade accounts receivable for goods, works and services by the terms of overdue payments as at 31 December 2024:

	Individual impairment	**Gross value**	**Expected credit losses**
Trade accounts receivable			
- not overdue	0%	87 817	(10)
- overdue from 1 to 30 days	3%	28 920	(834)
- overdue from 31 to 90 days	40%	15 229	(6 109)
- overdue from 91 to 180 days	43%	30 360	(12 934)
- overdue from 181 to 365 days	3%	135 830	(4 301)
- overdue for more than 365 days	14%	116 241	(16 550)
TOTAL	**10%**	**414 397**	**(40 738)**

The table below shows trade accounts receivable for goods, works and services by the terms of overdue payments as at 31 December 2023:

	Individual impairment	**Gross value**	**Expected credit losses**
Trade accounts receivable			
- not overdue	29%	103 834	(30 263)
- overdue from 1 to 30 days	49%	48 473	(23 770)
- overdue from 31 to 90 days	7%	53 588	(3 777)
- overdue from 91 to 180 days	12%	79 734	(9 910)
- overdue from 181 to 365 days	52%	36 809	(19 302)
- overdue for more than 365 days	10%	60 340	(6 148)
TOTAL	**24%**	**382 778**	**(93 170)**

The following table shows the movements in the allowance for expected credit losses for the balance of trade accounts receivable for the years ended 31 December 2024 and 31 December 2023:

	2024	**2023**
As at 01 January	**(93 170)**	**(129 661)**
Expenses from accrued allowance	(274 824)	(456 863)
Income from debt recovery	327 208	505 847
Repayment (restoration) of debt at the expense of provisions	48	(12 493)
As at 31 December	**(40 738)**	**(93 170)**

As at 31 December, trade accounts receivable (before allowance for impairment) are denominated in the following currencies:

	31 December 2024	**31 December 2023**
Hryvnia	298 054	267 492
Euro	108 546	108 465
US dollar	4 976	4 496
Zloty (Poland)	2 821	2 325
Total	**414 397**	**382 778**

12. Receivables for settlements with the budget

As at December 31, receivables from budget settlements are presented below:

	31 December 2024	31 December 2023
VAT receivable	56 643	21 498
Income tax advance	20 367	-
Advance on other taxes	308	520
Total	**77 318**	**22 018**

13. Cash and cash equivalents

As at 31 December, cash and cash equivalents consisted of:

	31 December 2024	31 December 2023
Cash at the bank:		
- in national currency	16 984	12 769
- in foreign currency	45 863	17 624
Short-term deposits	-	13
Total	**62 847**	**30 406**

As at 31 December 2024 and 31 December 2023, the Company had no restricted cash and cash equivalents on its balance sheet.

As at 31 December, cash and cash equivalents are denominated in the following currencies:

	31 December 2024	31 December 2023
Hryvnia	12 782	12 782
Euro	17 624	17 624
US dollar	2 794	
Zloty (Poland)	537	
Total	**62 847**	**30 406**

14. Share capital

The Company has the legal status of a limited liability company and its owners as of December 31 are as follows:

	31 December 2024	Ownership share, %	31 December 2023	Ownership share, %
Yurii Liashchuk	98 439	81%	98 439	81%
Halyna Liashchuk	-	0%	6 077	5%
Stanislav Liashchuk	11 545	9,5%	8 507	7%
Vladyslav Liashchuk	11 545	9,5%	8 507	7%
Total	**121 530**	**100%**	**121 530**	**100%**

On 11 December 2024, the Company's shareholders resolved to withdraw Halyna Liashchuk, who held a 5% interest in the Company's share capital amounting to UAH 6 077 thousand. The withdrawn participant's share was equally redistributed between the two remaining participants – Stanislav Liashchuk and Vladyslav Liashchuk.

This change did not affect the total amount of the Company's share capital and had no impact on the governance of the Company.

As at 31 December 2024, no decision was made by the shareholders to distribute dividends based on the results of the year. No dividends were declared or paid for previous reporting periods.

As at 31 December 2024 and 2023, the Company had no outstanding obligations to its shareholders in respect of unpaid previously declared dividends.

As at 31 December 2024, the Company's share capital was fully formed and there were no outstanding contributions from shareholders.

15. Loans and borrowings

As at 31 December of the reporting periods, the Company's loans and borrowings were as follows:

	Rate	Currency	Maturity	31 December 2024	31 December 2023
JSC KREDOBANK, including:	4,25%	Euro	01.11.2024	-	4 221
Long-term				-	-
Current				-	*4 221*
JSC KREDOBANK, including:	4,95%	Euro	31.05.2026	9 213	15 097
Long-term				*2 713*	*8 852*
Current				*6 500*	*6 245*
Total				**9 213**	**19 318**

In August 2024, the Company entered into a credit line agreement with a limit of EUR 3 000 thousand. The credit line bears a fixed interest rate of 4.25% per annum and matures on 4 August 2026. As at 31 December 2024, the Company had not utilised the credit facility and no liability was outstanding.

As at 31 December 2024, property, plant and equipment and property rights over real estate with a carrying amount of UAH 34 748 thousand (31 December 2023: UAH 41 563 thousand) were pledged as collateral for the Company's credit facilities.

The movement in loans and borrowings during 2024 and 2023 is presented below:

- on receipt and repayment of loans and borrowings:

	2024	2023
As at January 01	**19 318**	**79 850**
Proceeds for the year	-	21 383
Repayments for the year	(10 886)	(84 472)
Exchange rate differences	781	2 557
As at December 31	**9 213**	**19 318**

- on accrual and repayment of interest on loans:

	2024	2023
As at January 01	-	-
Accruals for the year	739	1 264
Repayment for the year	(739)	(1 264)
As at December 31	-	-

As of December 31, 2024, the Company's debt under financial leasing amounted to UAH 1 073 thousand; current portion of the debt: UAH 587 thousand; long-term: UAH 486 thousand. During 2024, financial expenses under the lease agreement amounted to UAH 236 thousand.

As of December 31, 2023, the Company's debt under finance lease amounted to UAH 1 562 thousand; current portion of the debt: UAH 584 thousand; long-term: UAH 978 thousand. During 2023, financial expenses under the lease agreement amounted to UAH 262 thousand.

16. Trade accounts payable for goods, works and services

As at 31 December, the Company's trade accounts payable for goods, works and services were as follows:

	31 December 2024	31 December 2023
Trade accounts payable for goods, works and services		
- in national currency	112 886	110 156
- in foreign currency	2 278	7 950
Total	**115 164**	**118 106**

As at 31 December 2024, trade accounts payable from the Company's five largest creditors amounted to UAH 77 729 thousand or 67% (31 December 2023: UAH 74 012 thousand or 63%).

As at 31 December, trade accounts payable for goods, works and services are denominated in the following currencies:

	31 December 2024	31 December 2023
Hryvnia	112 886	110 156
Euro	2 277	7 949
US dollar	1	1
Total	**115 164**	**118 106**

17. Current provisions

As at 31 December, current provisions were as follows:

	31 December 2024	31 December 2023
Provision for unused vacation	34 286	33 696
Provision for other expenses and charges	-	578
Total	**24 286**	**34 274**

Movements in provision for unused vacation leave as at 31 December 2024 and 2023 were as follows:

	2024	2023
As at 01 January	**33 696**	**32 951**
Provision accrued for the year	17 671	13 845
Provision used for the year	(17 081)	(13 100)
As at 31 December	**34 286**	**33 696**

18. Other current liabilities

As at 31 December, other current liabilities were as follows:

	31 December 2024	31 December 2023
Financial aid	7 137	12 137
Other taxes	1 257	134
Other liabilities	361	764
Total	**8 755**	**13 035**

As at 31 December 2024 and 2023, the financial assistance is not discounted as, in accordance with the terms of the agreement, the Borrower has the right to demand its long-term repayment. In this regard, the expected maturity is uncertain and may occur at any time.

19. Revenue

Revenue for the years ended 31 December presented as follows:

	2024	2023
Revenue from the sale of furniture and individual items	1 650 957	1 428 054
Revenue from motor transport services rendered	84 019	97 515
Revenue from sales of bricks	65 338	66 364
Revenue from sales of materials for furniture production	63 365	42 343
Revenue from sales of fuel briquettes and pellets	36 864	31 357
Revenue from sales of electricity	36 765	41 249
Revenue from construction and installation works	6 680	21 242
Revenue from sales of palletised billets	-	16 340
Revenue from the sale of pine billets	1 710	4 560
Revenue from the sale of beech billets	718	-
Revenue from sales of packaging materials	495	1 067
Other sales	10 646	7 073
Total	**1 957 557**	**1 757 164**

Revenue for the years ended 31 December was generated from the following geographical markets:

	2024	2023
EU countries	1 313 292	1 065 451
Ukraine	611 801	651 015
Other	32 464	40 698
Total	**1 957 557**	**1 757 164**

20. Cost of sales

In 2024 and 2023, cost of sales of finished goods (goods, works, services) included:

	2024	2023
Raw materials and consumables	(1 053 770)	(989 994)
Salaries and benefits	(295 187)	(228 814)
Depreciation and amortisation expense	(58 476)	(55 273)
Electricity	(51 063)	(44 519)
Transport and forwarding services	(11 724)	(28 540)
Repairs and maintenance	(8 948)	(22 920)
Cost of goods sold	(1 919)	(19 067)
Subcontracting services for furniture manufacturing	(5 185)	(6 770)
Other expenses	(6 500)	(2 930)
Changes in the balance of finished goods	737	22 260
Total	**(1 492 035)**	**(1 376 567)**

21. Administrative expenses

Administrative expenses for the years ended 31 December included:

	2024	2023
Salaries and benefits	(35 068)	(10 292)
Electricity costs	(5 922)	(7 314)
Costs of materials	(4 648)	(4 856)
Professional services	(3 153)	(1 057)
Bank services	(2 676)	(2 092)
Depreciation and amortisation	(1 792)	(1 324)
Provisions for future expenses	(363)	(868)
Insurance costs	(280)	(332)
Other expenses	(108)	(1 269)
Total	**(54 010)**	**(29 404)**

22. Selling and distribution expenses

Selling and distribution expenses for the years ended 31 December consisted of the following:

	2024	2023
Expenses for transport services	(56 043)	(29 636)
Fuels and lubricants	(30 185)	(33 139)
Costs of manufacturing containers	(28 456)	(16 070)
Wages and salaries and accruals	(25 312)	(14 392)
Electricity costs	(23 844)	(23 826)
Depreciation and amortisation	(14 434)	(9 617)
Business trip expenses	(13 398)	(12 334)
Insurance costs	(2 117)	(1 738)
Expenses for pre-sale preparation of goods	(446)	(7 780)
Other expenses	(3 465)	(2 175)
Total	**(197 700)**	**(150 707)**

23. Other income/(expenses)

Other operating income for the years ended 31 December consisted of the following:

	2024	2023
Allowance for expected credit losses, net	51 816	48 266
Gain on foreign exchange operations, net	7 700	10 357
Gain on purchase and sale of foreign currencies, net	-	2 914
Income from operating leases of assets, net	929	1 114
Gain from sale of non-current assets, net	1 214	776
Income from recycled raw materials	5	113
Other income	171	463
Total	**61 835**	**64 003**

In 2024, other income (line 2240 "Other income") amounted to UAH 2 145 thousand (2023: UAH 2 122 thousand), which included insurance compensation received in the amount of UAH 50 thousand (2023: UAH 711 thousand), income from donated assets in the amount of UAH 187 thousand (2023: UAH 140 thousand) and other income in the amount of UAH 1 908 thousand (UAH 1 271 thousand).

Other operating expenses for the years ended 31 December consisted of the following:

	2024	2023
Wages and salaries and accruals	(4 345)	(2 691)
Electricity costs	(2 761)	(3 531)
Materials and spare parts	(2 674)	(3 082)
Operating lease expenses	(2 185)	(1 344)
Taxes and mandatory payments	(1 019)	(2 962)
Losses from purchase and sale of foreign currency, net	(868)	-
Depreciation and amortisation expense	(473)	(641)
Penalties paid	(341)	(1 374)
Other expenses	(3 118)	(2 305)
Total	**(17 784)**	**(17 930)**

In 2024 and 2023, the Company also covered non-operating expenses (line 2250 "Financial expenses"), in particular:

- accrued interest on loans: UAH 739 thousand (2023: UAH 1 264 thousand);
- interest on financial leasing: UAH 236 thousand (2023: UAH 262 thousand).

In 2023, losses from non-operating exchange rate differences related to servicing of borrowed funds (line 2270 "Other expenses") amounted to UAH 780 thousand (2023: UAH 2 556 thousand).

24. Income tax

Income tax (expense)/income for the reporting periods ended 31 December 2024 and 2023 is as follows:

	2024	2023
Current income tax expenses	(37 564)	(35 617)
Deferred income tax expense/(income)	(579)	(11 333)
Adjustments to prior periods	-	2 249
Total	**(38 143)**	**(44 701)**

Deferred tax is calculated for all temporary differences based on the enacted corporate income tax rate. The Ukrainian statutory tax rate for 2024 and 2023 was 18%.

Reconciliation of income tax expense for the year ended 31 December:

	31 December 2024	31 December 2023
Profit before income tax	**258 253**	**244 081**
Income tax expense calculated at 18% tax rate	46 486	43 935
Tax effect of permanent differences	(8 343)	766
Income tax expense	**38 143**	**44 701**

Movements in recognised deferred tax assets and liabilities (by type of temporary difference) during the year ended 31 December 2024 are as follows:

	31 December 2023	Recognized in profit / (loss)	31 December 2024
Property, plant and equipment and intangible assets	117	60	117
Provisions for future expenses	(17)	17	-
Expected credit losses allowances	(8 817)	(621)	(9 438)
Results from the sale of electricity under the "green tariff"	326	(35)	291
Total	**(8 391)**	**(579)**	**(8 970)**

Movements in recognised deferred tax assets and liabilities (by type of temporary difference) during the year ended 31 December 2023 are as follows:

	31 December 2022	Recognized in profit / (loss)	31 December 2023
Property, plant and equipment and intangible assets	77	40	117
Provisions for future expenses	-	(17)	(17)
Expected credit losses allowances	3 589	(12 406)	(8 817)
Results from the sale of electricity under the "green tariff"	(724)	1 050	326
Total	**2 942**	**(11 333)**	**(8 391)**

25. Related parties

Transactions with related parties for the year ended 31 December 2024 included the following:

Relationship with the company	Type of transactions	Sales	Expenses	Acquisitions
Shareholders' subsidiaries	Trading	141 669	(76 342)	(26 040)
Shareholders	Trading/Other	540	-	(22 036)
Other related parties	Trading/Other	12 587	-	(271)
		154 796	**(76 342)**	**(48 347)**

Transactions with related parties for the year ended 31 December 2023 included the following:

Relationship with the company	Type of transactions	Sales	Expenses	Acquisitions
Shareholders' subsidiaries	Trading	259 539	(13 772)	(8 916)
Shareholders	Trading/Other	1 102	(1 951)	(1 148)
Other related parties	Trading/Other	16	-	(2)
		260 657	**(15 723)**	**(10 066)**

The balances on transactions with related parties as at 31 December 2024 were as follows:

Relationship with the company	Type of transactions	Trade accounts receivable	Trade accounts payable	Other accounts payable	Accounts payable for advances received
Shareholders' subsidiaries	Trading	252 646	-	(2 894)	-
Shareholders	Trading/Other	-	-	(46 445)	(6 552)
Other related parties	Trading/Other	26	-	(10 833)	(4 398)
		252 672	**-**	**(60 172)**	**(10 950)**

The balances on transactions with related parties as at 31 December 2023 were as follows:

Relationship with the company	Type of transactions	Trade accounts receivable	Trade accounts payable	Other accounts payable	Accounts payable for advances received
Shareholders' subsidiaries	Trading	207 541	5 697	(7 125)	(5 003)
Shareholders	Trading/Other	-	-	(47 636)	(2 783)
Other related parties	Trading/Other	-	-	(11 333)	(4 387)
		207 541	**5 697**	**(66 094)**	**(12 173)**

Key management personnel's benefits in the form of short-term employee remuneration for the years ended 31 December amounted to:

	2024	**2023**
Salary and wages	22 313	1 228

26. Commitments and contingencies

Operating environment. The Company's main activities are located within Ukraine. Laws and regulations affecting the business environment within Ukraine are subject to rapid changes and the Company's assets and operations are at risk due to negative changes in the political and business environment. Refer also to Note 2.

Taxation. The Ukrainian tax authorities are increasingly focused on the business community as a result of the general economic situation in Ukraine. As a result, the local and national tax environment within Ukraine is subject to rapid changes and inconsistencies in application, interpretation and enforcement. Failure to comply with Ukrainian laws and regulations may result in severe penalties and fines. Future tax audits may result in issues or assessments that may be inconsistent with the Companies' tax returns. Such assessments may relate to taxes, penalties and interest, and these amounts could be material.

Although the Company's management believes that it has complied with local tax regulations, in recent years numerous changes to tax and currency legislation and related regulations have been introduced and are not always clearly defined.

27. Fair value of financial instruments

The principal categories of financial instruments are set out below:

	31 December 2024	31 December 2023
Financial assets		
Trade receivables	373 659	289 608
Other current receivables	247	5 276
Cash and cash equivalents	62 847	30 406
TOTAL	**436 753**	**325 290**
Financial liabilities		
Long-term loans from banks	(2 713)	(8 852)
Long-term finance lease liabilities	(486)	(978)
Short-term loans from banks	-	(4 221)
Current part on long-term liabilities	(7 087)	(6 829)
Trade payables	(115 164)	(118 106)
Other current payables	(8 755)	(13 035)
TOTAL	**(132 205)**	**(152 021)**
Net value	**302 548**	**173 269**

Management believes that the amounts recognized in the financial statements for trade and other receivables, cash and cash equivalents, borrowings, trade and other payables approximate their fair values.

The main risks associated with the Company's financial instruments are credit risk and liquidity risk.

28. Financial risk management: objectives and policies

Risk management: objectives and policies

The Company is exposed to various types of risks arising from the use of financial instruments. The Company's financial assets and liabilities are summarized by classification in Note 26. The main types of risks are credit risk, foreign currency risk and liquidity risk.

a) Credit risk

Credit risk arises from the possibility that counterparties may not be able to meet their obligations under financial instruments or customer contracts. To manage this, the Company periodically assesses the financial reliability of customers, taking into account their financial position, current economic trends, macroeconomic forecasts, analysis of bad debt history and ageing of receivables. Individual risk limits are set accordingly. The Company's management believes that it has no significant risk of losses due to default of creditors towards the Company.

b) Foreign currency risk

The Company operates on an international level and the majority of its operations are conducted in several currencies. Consequently, the Company is exposed to foreign currency risk through the receipt of payments for the sale of goods and services to European and other countries, as well as purchases in various foreign currencies from foreign equipment suppliers. Foreign currency risk primarily arises from foreign currency receipts, receivables, cash balances, accounts payable and loans and borrowings denominated in foreign currencies.

The Company conducts its operations primarily in the following foreign currencies: USD, EUR, PLN. The official exchange rate of these currencies to UAH set by the National Bank of Ukraine is disclosed in Note 3.

The book values of monetary assets and liabilities denominated and denominated in foreign currencies as at the reporting dates are as follows:

As at 31 December 2024	**Euro**	**US dollar**	**Zloty**
Financial assets			
Trade and other receivables	108 546	4 976	2 821
Cash and cash equivalents	42 532	537	2 794
TOTAL	**151 078**	**5 513**	**5 615**
Financial liabilities			
Long-term loans from banks	(2 713)	-	-
Short-term loans from banks	-	-	-
Current part on long-term liabilities	(6 500)	-	-
Finance lease liabilities	(1 073)	-	-
Trade and other payables	(2 277)	(1)	-
TOTAL	**(12 563)**	**(1)**	**-**
Net value	**138 515**	**5 512**	**5 615**

As at 31 December 2023	**Euro**	**US dollar**	**Zloty**
Financial assets			
Trade and other receivables	108 457	4 496	2 325
Cash and cash equivalents	17 624	-	-
TOTAL	**126 081**	**4 496**	**2 325**
Financial liabilities			
Long-term loans from banks	(8 852)	-	-
Short-term loans from banks	(4 221)	-	-
Current part on long-term liabilities	(6 245)	-	-
Finance lease liabilities	(1 562)	-	-
Trade and other payables	(7 949)	(1)	-
TOTAL	**(28 829)**	**(1)**	**-**
Net value	**97 252**	**4 495**	**2 325**

Analysis of sensitivity

The following table demonstrates the effect of a weakening of the national currency against the major currencies in which the Company's debt is denominated at the reporting dates. The sensitivity level of 10% reflects management's estimate based on the NBU and IMF forecasts of the UAH/USD exchange rate as at 31 December 2024.

	31 December 2024	**31 December 2023**
		Impact on profit / (loss)
Hryvnia/Euro	13 852	9 725
Hryvnia/US Dollar	551	450
Hryvnia /Polish zloty	562	233

The effect of a strengthening of the national currency will be the opposite.

c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to meet or settle its obligations on time or at a reasonable price. Management monitors the Company's net liquidity position through ongoing forecasts based on expected cash flows. The Company uses a detailed budgeting and cash forecasting process to ensure that it has adequate funds to meet its payment obligations.

The table below shows the expected maturity of the components of the liabilities:

	Total book value	Contractual cash flows	Up to 3 months	From 3 months to one year	From 1 year to 5 years
As at 31 December 2024					
Loans and borrowings	9 213	9 213	1 625	4 875	2 713
Finance lease liabilities	1 073	1 135	170	511	454
Trade accounts payable	115 164	115 164	115 164	-	-
Other accounts payable	8 755	8 755	8 755	-	-
TOTAL	**134 205**	**134 267**	**125 714**	**5 386**	**3 167**

	Total book value	Contractual cash flows	Up to 3 months	From 3 months to one year	From 1 year to 5 years
As at 31 December 2023					
Loans and borrowings	19 318	19 318	-	6 245	13 073
Finance lease liabilities	1 652	3 574	228	684	2 661
Trade accounts payable	118 106	118 106	118 106	-	-
Other accounts payable	13 035	13 035	13 035	-	-
TOTAL	**152 111**	**154 033**	**131 369**	**6 929**	**15 734**

29. Subsequent events

In accordance with the Minutes No. 11 of the General Meeting of Participants of "MEBEL-SERVICE" LLC dated April 7, 2025, it was decided to increase the authorized capital of the Company by UAH 30 000 thousand at the expense of additional contributions from the participants, namely

- to offset annuals counterclaims (interest-free repayment assistance) - UAH 2 750 thousand;
- in the form of contribution of property (non-residential buildings) - UAH 2 850 thousand;
- in cash - UAH 24 400 thousand.

After making all additional contributions, the authorized capital of the Company amounts to UAH 151 529 thousand, with the following distribution of shares:

Participant	Amount, UAH thousand	Share, %.
Lyashchuk Yuriy	122 739	81,00
Lyashchuk Stanislav	14 395	9,50
Lyashchuk Vladyslav	14 395	9,50
Total	**151 529**	**100,00%**

30. Authorization of financial statements

These financial statements were prepared as at 31 December 2024 and authorised for issue by the Company's management on May 31, 2025.