Noval Property Real Estate Investment Company – Greece

Permanent Establishment Bulgaria

Financial statements

For the year ended 31 December 2025

This document is a translation of the original Bulgarian text, in case of divergence the Bulgarian original shall prevail.

Contents

Statement of financial position

In thousands of BGN	*Note*	31 December 2025	31 December 2024
Assets			
Investment property	*10*	13,657	13,553
Non-current assets		**13,657**	**13,553**
Trade and other receivables	*12*	1,338	620
Cash and cash equivalents	*13*	307	1,097
Current assets		**1,645**	**1,717**
Total assets		**15,302**	**15,270**
Equity			
Retained earnings		3,318	3,192
Other reserves		11,377	11,377
Total equity		**14,695**	**14,569**
Liabilities			
Deferred tax liabilities	*11*	362	348
Trade and other payables	*14*	146	257
Non-current liabilities		**508**	**605**
Trade and other payables	*14*	99	96
Current liabilities		**99**	**96**
Total liabilities		**607**	**701**
Total equity and liabilities		**15,302**	**15,270**

The notes on pages 7 to 24 are an integral part of these financial statements.

The financial statements are approved on ……………………….. and signed by:

Approved by:
Managing Director
Georgios Koutsopodiotis

Prepared by:
KPMG Bulgaria OOD
Bianka Atanasova, Director

Approved by:
Managing Director
Panteleimon Mavrakis

Statement of profit or loss and other comprehensive income

For the year ended 31 December

In thousands of BGN	*Note*	2025	2024
Revenue	*6*	830	991
Other income	*7*	55	430
Expenses for materials	*8*	(4)	(6)
Expenses for hired services	*9*	(633)	(598)
Amortisation	*10*	(13)	(4)
Impairment loss on trade receivables	*15*	(7)	-
Other expenses		(86)	(81)
Result from operating activities		**142**	**732**
Finance cost		(2)	(1)
Net finance cost		**(2)**	**(1)**
Profit before income tax		**140**	**731**
Tax expense	*11*	(14)	(73)
Profit for the period		**126**	**658**
Total comprehensive income for the period		**126**	**658**

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Statement of changes in equity

In thousands of BGN	Other reserves	Retained earnings	Total equity
Balance as at 01 January 2024	**11,377**	**2,534**	**13,911**
Comprehensive income for the period			
Profit for the period	-	658	658
Total comprehensive income	**-**	**658**	**658**
Balance as at 31 December 2024	**11,377**	**3,192**	**14,569**
Balance as at 01 January 2025	**11,377**	**3,192**	**14,569**
Comprehensive income for the period			
Profit for the period	-	126	126
Total comprehensive income	**-**	**126**	**126**
Balance as at 31 December 2025	**11,377**	**3,318**	**14,695**

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Statement of cash flows

In thousands of BGN	*Note*	**2025**	**2024**
Cash flows from operating activities			
Proceeds from customers		883	1,162
Payments to suppliers		(464)	(488)
Transfers to the Principal		(1,101)	-
VAT paid		(15)	(72)
Paid CIT		-	(8)
Other cash flows from operating activities		(85)	80
Net cash flows from operating activities		**(782)**	**674**
Cash flows from investing activities			
Payment of capitalised costs investment property		(8)	(47)
Net cash used in investing activities		**(8)**	**(47)**
Net increase (decrease) in cash and cash equivalents		**(790)**	**627**
Cash and cash equivalents at beginning of the period		1,097	470
Cash and cash equivalents at end of period	*13*	**307**	**1,097**

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Notes to the financial statements

1. Reporting entity

Noval Property Real Estate Investment Company Permanent Establishment Bulgaria ("the Permanent Establishment" or "the PE"), is Permanent Establishment of Noval Property Real Estate Investment Company – Greece, a company incorporated and existing under the law of Greece ("Principal"). Since June 2024 the Principal is listed on the Athens Stock Exchange. The Permanent Establishment is registered in the BULSTAT register in accordance with the Act for BULSTAT register, art. 3, paragraph 1, item 5a with UIC 177443529 on 1 April 2021. The registered address of the Permanent Establishment is Sofia 1407, 53A N.Y.Vaptsarov Blvd, Bulgaria.

The Permanent Establishment is represented by Panteleimon Mavrakis and Georgios Koutsopodiotis.

The main activity of the PE is rental of investment property in Bulgaria, located in Sofia 1407, 53A N.Y.Vaptsarov Blvd, Bulgaria.

The financial statements prepared for the year ended 31 December 2025 were authorized for issue by the Managing Directors on ....2026.

2. Basis of accounting

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

Details of the PE's accounting policies are included in Note 21.

3. Functional and presentation currency

These financial statements are presented in BGN, which is the PE's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Going concern

These financial statements have been prepared on a going concern basis and under the assumption that the Permanent Establishment will be able to continue its operations in the foreseeable future.

The future financial performance of the Permanent Establishment is dependent upon the wider economic environment in which it operates. The factors that particularly affect the performance of the Permanent Establishment include flat or negative economic growth, buyer confidence, competitor pricing and the cost and availability of raw materials due to increased demand and/or difficulties in supply chains. The effects from the current economic, market and geopolitical situation have heightened the inherent uncertainty in the Permanent Establishment's assessment of these factors. Management is currently monitoring the situation and is ready to take timely actions to mitigate any potential negative effects.

The management of the PE believes that the existing capital resources and funding sources will be adequate for the PE's liquidity needs in the following 2026, having also in mind that the PE has no bank borrowing and that a significant percentage of energy and products cost is recharged to its tenants.

5. Use of judgments and estimates

The preparation of the financial statements in conformity with IFRSs as adopted by the EU requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year relate to the following:

- Note 16 - *Leases*

5. Use of judgments and estimates (continued)

Measurement of fair values

When measuring the fair value of an asset or liability, the PE uses market observable data as far as possible. Fair values are categorised into different level in a fair value hierarchy based on the inputs in the valuation techniques as follows:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Permanent Establishment recognizes transfers between levels of the fair value hierarchy at end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

• Note 10 *Investment property*

• Note 15 *Financial instruments*

6. Revenue

A. Revenue streams

In thousands of BGN	**2025**	**2024**
Revenue from lease	600	705
Revenue from services	230	279
Revenue from penalties	-	7
	830	**991**

The PE generates revenue from leasing out office premises in building located in Sofia 1407, area Lozenets, 53A N.Y.Vaptsarov Blvd, Bulgaria. Revenue from services includes fee for management, utility costs and cleaning services.

B. Contract balances

The following table provides the information for receivables, assets and liabilities from contracts with clients.

In thousands of BGN	*Note*	**31 December 2025**	**31 December 2024**
Received deposits, included in "Trade and other payables"	*14*	(146)	(257)
Receivables, included in "Trade and other receivables"	*12*	193	179
		47	**(78)**

6. Revenue (continued)

C. Performance obligations and revenue recognition policies

The revenue is estimated based on the remuneration defined in the contract with the customer. The PE recognizes revenue when it transfers control over the service to the customers.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition policies**
Office premises rental	Customers obtain control over the services rendered by the PE with the delivery of the leased property for temporary use. Invoices are issued on a monthly basis and are usually payable within 10 days.	Revenue is recognised over time as the services are provided.

7. Other income

In thousands of BGN	**2025**	**2024**
Change in fair value of investment property	45	410
Government grants	10	20
Total other income	**55**	**430**

8. Expenses for materials

In thousands of BGN	**2025**	**2024**
Consumables for maintenance	4	6
Total expenses for materials	**4**	**6**

9. Expenses for hired services

In thousands of BGN	**2025**	**2024**
Expenses for maintenance	88	77
Management of the investment property	76	74
Cleaning	103	105
Security	101	78
Legal services	23	29
Accounting services	39	38
Overhead expenses	203	192
Other hired services	-	5
Total expenses for hired services	**633**	**598**

10. Investment property

(a) Reconciliation of carrying amount

In thousands of BGN

	31 December 2025	31 December 2024
Balance as at 1 January	**13,553**	**13,105**
Capitalised subsequent expenditure	68	14
Capitalised letting fees	4	28
Amortisation of capitalised letting fees	(13)	(4)
Change in fair value of investment property	45	410
Balance as at 31 December	**13,657**	**13,553**

The net change in the fair value of the investment property for 2025 amounts to BGN 45 thousand and includes income from the change in the fair value of the building BGN 238 thousand and an expense from the change in the fair value of the land (BGN 193 thousand) (2024: income building – BGN 410 thousand).

(b) Measurement of fair value

(i) Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognized professional qualification and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the PE's investment property every six months.

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. (see Note 5).

(ii) Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in the measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	
Discounted cash flows (DCF): This method is based on discounting the net future cashflows generated by a property over the assumed holding period, and then a deemed disposal of the asset at the end of the ten-year period (the exit value)- in cases of freehold assets. The exit value is calculated by capitalizing the net income stream assumed receivable at the beginning of exit year at an exit cap rate. The net future cashflows over the holding period are calculated by starting with the assumed gross income stream and working back to the net income stream (where non recoverable costs are available).	Within the DCF approach, the expected future cash flows are determined for a given period of time (usually ten years), reflecting: • every income change resulting from any unexpected and/or expected changes in the market; • the effects of wear and tear of a property to cash flows or capital expenditure for large scale conversions or replacement of equipment; • periods that the property/part of it may not produce income and possibly the costs involved during these periods (costs borne by the property and/or taxes); • possible refurbishment of the property and all necessary improvements); • prevailing market conditions and the projected evolution of the property as an investment at the end of the holding period.
Comparative Method	This method is based on the following: • valuation is an estimate of what the market will pay • what has been paid for a similar interest in similar accommodation under similar economic conditions is the best indicator of market value.

Values are weighted by applying a weighting factor 85% for the DCF and 15% for the Comparative Method.

11. Income taxes

a) Income Tax Recognized in profit or loss

In thousands of BGN	**2025**	**2024**
Current income tax		
Income tax for the current year	-	-
Deferred tax		
Recognized and reversed temporary differences	14	73
Total income tax expense	**14**	**73**

b) Reconciliation of the effective tax rate

In thousands of BGN		**2025**		**2024**
Profit for the period		126		658
Total income tax expense		14		73
Profit before taxes		**140**		**731**
Income tax using the domestic tax rate of 10%	10.00%	14	10.00%	73
Effective tax rate	10.00%	**14**	10.00%	**73**

Additional corporate income tax (Pillar 2 tax)

At the end of 2023, amendments to the Corporate Income Tax Act (CITA) were approved, which introduced effectively, as of 1 January 2024, a global minimum corporate tax of 15% on multinational and large national groups of companies under the conditions set out in the CITA. The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15%

In 2025 and 2024 Viohalco group, to which the Permanent Establishment belongs, applied the transitional safe harbors introduced in the Corporate Income Tax Act, allowing for a zero national top-up tax for tax periods starting on or before 31 December 2026 and ending on or before 30 June 2028.

The respective tax periods of the Permanent Establishment may be subject to inspection by the tax authorities until the expiration of 5 years from the end of the year in which a tax return was submitted, or should have been submitted, and additional taxes or penalties may be imposed in accordance with the interpretation of the tax legislation. The Permanent Establishment's management is not aware of any circumstances which may give rise to a contingent additional liability in this respect. The PE has not been subject to corporate income tax inspections.

c) Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

In thousands of BGN	**Assets**		**Liabilities**		**Net**	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Investment property	-	-	(395)	(354)	(395)	(354)
Tax loss carry-forwards	32	5	-	-	32	5
Other deferred tax	1	1	-	-	1	1
Deferred tax assets/(liabilities)	**33**	**6**	**(395)**	**(354)**	**(362)**	**(348)**

11. Income taxes (continued)

d) Movement in deferred tax balances during the year

	Balance 01 January 2024	Recognized in profit or loss	Balance 31 December 2024	Recognized in profit or loss	Balance 31 December 2025
Investment property	(276)	(78)	(354)	(41)	(395)
Tax loss carry-forwards	-	5	5	27	32
Other deferred tax	1	-	1	-	1
	(275)	**(73)**	**(348)**	**(14)**	**(362)**

12. Trade and other receivables

In thousands of BGN	31 December 2025	31 December 2024
Receivables from the Principal	1,124	377
Trade receivables	193	179
Impairment loss on trade receivables	(7)	-
Paid deposits	5	5
Advances to suppliers	12	45
VAT receivable	10	14
Prepaid expenses	1	-
	1,338	**620**

13. Cash and cash equivalents

In thousands of BGN	31 December 2025	31 December 2024
Cash in current bank accounts	307	1,097
	307	**1,097**

14. Trade and other payables

In thousands of BGN	31 December 2025	31 December 2024
Received deposits	146	257
Payables to suppliers	96	93
Payables to clients	3	3
	245	**353**

15. Financial instruments

Overview

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

- credit risk;
- liquidity risk;
- market risk.

This note presents information on the exposure of the Permanent Establishment to each of the above mentioned risks, the aims of the Permanent Establishment, the policies and processes for measuring and managing risk.

15. Financial instruments (continued)

Risk management framework

The management has overall responsibility for the establishment of the policy for managing risks that can affect the Permanent Establishment. This policy establishes limits for taking risks of each type, defines the rules for controlling the risks in accordance with the established limits. The risk management policy is reviewed regularly to reflect changes in the risks to which the Permanent Establishment is exposed.

Credit risk

The credit risk of the Permanent Establishment is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and mainly arises from the Permanent Establishment's receivables from customers.

Trade receivables

The Permanent Establishment's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

During 2025 and 2024 the Permanent Establishment's revenue is attributable to sales transactions with a significant number of corporate customers. There is no concentration of credit risk.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is, as follows:

In thousands of BGN	**Note**	**31.12.2025**	**31.12.2024**
Trade receivables	*12*	186	179
Cash and cash equivalents	*13*	307	1,097
		493	**1,276**

Impairment

The aging of trade and other receivables at the reporting date was as follows:

In thousands of BGN		**Carrying amount**		
	2025	**2025**	**2024**	**2024**
	Gross amount	**Impairment**	**Gross amount**	**Impairment**
Neither past due nor impaired	186	-	179	-
Overdue	7	(7)	-	-
Total	**193**	(7)	179	-

Management considers that as at 31 December 2025 the Permanent Establishment is not exposed to significant credit risk due to the fact that at the reporting date the Permanent Establishment does not have significant financial instruments where a customer or counterparty to a financial instrument would fail to meet their contractual obligations.

Cash and cash equivalents

The Permanent Establishment held cash and cash equivalents of BGN 307 thousand at 31 December 2025 (31 December 2024: BGN 1,097 thousand). The cash and cash equivalents are held with a bank, which is rated BBB+, based on Bulgarian Credit Rating Agency (BCRA).

The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Permanent Establishment considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the PE's reputation.

15. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Permanent Establishment will not be able to meet its financial obligations as they fall due. The PE's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient

The following are the contractual maturities of the trade and other payables:

31 December 2025	**Carrying amount**	**Contractual cash flows**	**Up to 6 months**	**6-12 months**	**More than 1 year**
Non-derivative financial liabilities					
Payables to suppliers	96	(96)	(96)	-	-
Payables to clients	3	(3)	(3)	-	-
Received deposits	146	(146)	-	-	(146)
	245	**(245)**	**(99)**	**-**	**(146)**

31 December 2024	**Carrying amount**	**Contractual cash flows**	**Up to 6 months**	**6-12 months**	**More than 1 year**
Non-derivative financial liabilities					
Payables to suppliers	93	(93)	(93)	-	-
Payables to clients	3	(3)	(3)	-	-
Received deposits	257	(257)	-	-	(257)
	353	**(353)**	**(96)**	**-**	**(257)**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates or equity prices, will affect the Permanent Establishment's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Permanent Establishment is exposed to currency risk on purchases and sales that are denominated in a currency other than the functional currency of the Permanent Establishment - the BGN. The Permanent Establishment is exposed to currency risk, related to possible changes in the exchange rates with respect to its transactions in foreign currency. At the moment this risk is considered to be immaterial since as all financial assets and liabilities of the Permanent Establishment are denominated in BGN or Euro and effective 1999 the exchange rate of Bulgarian Lev (BGN) is fixed to the Euro (EUR). The exchange rate is BGN 1.95583 / EUR 1.0.

Due to the above-mentioned reasons, changes in the exchange rate of BGN or Euro against other currencies would not materially affect the financial statements of the Permanent Establishment.

Interest rate risk

Interest rate risk is the risk of fluctuations in the value of interest-bearing assets and liabilities of the Permanent Establishment, caused by changes in the market interest rates.

Exposure to interest rate risk

The PE does not have any bank borrowing and the interest risk in relation to its financial assets is limited. At the reporting date the interest rate profile of the Permanent Establishment's interest-bearing financial instruments is as follows:

15. Financial instruments (continued)

Interest rate risk (continued)

Exposure to interest rate risk (continued)

In thousands of BGN	Carrying amount 31.12.2025	Carrying amount 31.12.2024
Fixed rate instruments		
Financial assets	307	1,097
	307	1,097

Accounting classifications and fair values

Fair values versus carrying amounts

The Permanent Establishment has no financial instruments measured at fair value. The carrying amounts of the financial instruments of the Permanent Establishment not measured at fair value represent reasonable approximation of their fair values.

16. Leases

Leases as lessor

The Permanent Establishment leases out its investment property. All leases are classified as operating leases from a lessor perspective, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental and services income recognised by the PE during 2025 is 830 thousand BGN (2024 is 984 thousand BGN).

The amounts of the contracted non-cancellable future minimum lease payments are, as follows:

In thousands of BGN	2025	2024
Up to 1 year	328	459
Between 1 and 5 years	93	451
	421	**910**

17. Related parties

Parent company and ultimate controlling party

Noval Property Real Estate Investment Company Permanent Establishment is a Permanent Establishment of Noval Property Real Estate Investment Company - Greece, company registered in Greece. The ultimate parent is Viohalco SA (61.83%, as at 31.12.2025).

The Permanent Establishment is a related party with all entities from the Viohalco group.

Transactions with related parties

Transactions and outstanding balances of trade receivables and payables from/to related parties as at 31 December are, as follows:

In thousands of BGN	Outstanding balances as at 31 December Receivables/(Payables) 2025	Outstanding balances as at 31 December Receivables/(Payables) 2024
Received deposit under lease contract		
Metalco Bulgaria EAD	(10)	(10)
Intercompany account		
Noval Property REIC - Greece – intercompany account	1,124	377

17. Related parties (continued)

Part of the trade and other payables of the PE are paid from the bank accounts held by the Principal (Noval Property REIC - Greece). Part of the trade and other receivables of the PE are paid by the debtors to the bank accounts held by the Principal (Noval Property REIC - Greece). The Permanent Establishment has not recorded these transactions in the Statement of cash flows.

Sales to related parties	**2025**	**2024**
Metalco Bulgaria EAD – rental income	59	58
	59	**58**

18. Commitments and contingencies

As at 31 December 2025 the Permanent Establishment has no commitments or contingent liabilities which can affect its financial position.

19. Events after the reporting period

Pursuant to Bulgarian and European Union legislation, the euro becomes the official monetary currency and legal tender in the Republic of Bulgaria on 1 January 2026. From this date, all transactions in Bulgaria are presented in euro for local statutory purposes.

The introduction of the euro as the official currency in Bulgaria represents a change in the functional and presentation currency, which is to be applied prospectively, and constitutes a non-adjusting event after the reporting period.

No other material events have occurred after the balance sheet date, which may require adjustments or disclosures in the financial statements as at 31 December 2025

20. Basis of measurement

These financial statements are prepared on the basis of historical cost basis, except for the Investment property, which is measured at fair value.

21. Material accounting policies

The Permanent establishment has consistently applied the following accounting policies to all periods presented in these financial statements.

a) Revenue from contracts with customers

Information on accounting policies relating to customer contracts is provided in Note 6.

b) Government grants

Grants that compensate the PE for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

c) Foreign currency

Transactions in foreign currencies are translated to the Bulgarian Lev (BGN) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to BGN at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Effective 1999, BGN rate is pegged to the Euro (EUR). The applicable exchange rate is BGN 1.95583 / EUR 1.0.

21. Material accounting policies (continued)

d) Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Rental income from investment property is recognised as revenue from the operating activity on a straight-line basis over the term of the lease.

Initial direct costs incurred in obtaining an operating lease, such as brokerage fees, are added to the carrying amount of the investment property and recognised as an expense over the lease term on the same basis as the lease income.

e) Financial instruments

i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Permanent Establishment becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Permanent Establishment changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Business model assessment

The Permanent Establishment makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Permanent Establishment's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

21. Material accounting policies (continued)

e) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Business model assessment (continued)

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Permanent Establishment's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Permanent Establishment considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Permanent Establishment considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable-rate features;

– prepayment and extension features; and

– terms that limit the Permanent Establishment's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The gross carrying amount of a financial asset is written off when the Permanent Establishment has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Permanent Establishment individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Permanent Establishment expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Permanent Establishment's procedures for recovery of amounts due.

21. Material accounting policies (continued)

e) Financial instruments (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)

iii) Write-off

Financial assets

Financial liabilities

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

***iv)* Offsetting**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the PE has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

f) *Impairment*

i) Non-derivative financial assets

Financial instruments and contract assets

The Permanent Establishment recognises loss allowances for ECLs on financial assets measured at amortised cost.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Permanent Establishment considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Permanent Establishment's historical experience and informed credit assessment and including forward-looking information.

The Permanent Establishment considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Permanent Establishment in full, without recourse by the Permanent establishment to actions such as realising security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Permanent Establishment is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Permanent Establishment expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Permanent Establishment assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;

– a breach of contract such as a default;

– the restructuring of a loan or advance by the Permanent establishment on terms that the Permanent establishment would not consider otherwise;

– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

21. Material accounting policies (continued)

f) Impairment (continued)

i) Non-derivative financial assets (continued)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Permanent Establishment has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Permanent Establishment individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Permanent Establishment expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Permanent Establishment's procedures for recovery of amounts due.

g) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

i) Current tax

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

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In determining the amount of current and deferred tax the Permanent Establishment takes into account the impact of uncertain tax items and whether additional taxes and interest may be due. The Permanent Establishment asserts that the accruals for tax obligations are adequate for all open tax years on the basis of estimating many factors, including interpreting tax laws and based on previous experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Permanent Establishment to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact the tax expense in the period, in which such a determination is made.

21. Material accounting policies (continued)

e) Leases

At inception of a contract, the Permanent Establishment assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Permanent Establishment uses the definition of a lease in IFRS 16.

(i) As a lessor

At commencement or on modification of a contract that contains a lease component, the Permanent Establishment allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

When the PE acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the PE makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The PE recognises lease payments received under operating leases as income on a straightline basis over the lease term.

22. Change in material accounting policies

22.1 New standards and interpretations into force since 1 January 2025

The PE did not have any changes to its accounting policies from those applied in the financial statements as at and for the year ended 31 December 2024.

22.2. New standards and interpretations, not yet adopted

The following new Standards, amendments to Standards and Interpretations, endorsed by the EC, are not yet mandatorily effective for annual periods beginning on or after 1 January 2025, and have not been applied in preparing these financial statements. The PE plans to adopt these pronouncements when they become effective.

Standards, Interpretations and amendments to published Standards that have not been early adopted – endorsed by the EC

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (issued on 30 May 2024, effective from 1 January 2026)

Settlement of liabilities through electronic payment systems

There has been diversity in practice over the timing of the recognition and derecognition of financial assets and financial liabilities, particularly when they are settled using electronic payment system. The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised.

Under the amendments, a company generally derecognises its trade payable on the settlement date. Normally this is the date, on which payment is completed.

The amendments also provide an optional exception, which allows the company to derecognise its trade payable earlier than the settlement date, potentially on the date when payment is initiated and cannot be cancelled. The exception is available when the company uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

22. Change in material accounting policies (continued)

22.2 New standards and interpretations, not yet adopted (continued)

Standards, Interpretations and amendments to published Standards that have not been early adopted – endorsed by the EC (continued)

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (issued on 30 May 2024, effective from 1 January 2026) (continued)

Companies can choose to apply the exception for electronic payments on a system-by-system basis.

Classification of financial assets with ESG-linked features

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI, which is a condition for measurement at amortised cost. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

Contractually linked instruments (CLIs) and non-recourse features

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that the PE needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The PE expects that the amendments, when initially applied, would not have a material impact on its financial statements.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity (issued on 18 December 2024, effective from 1 January 2026)

The amendments enable nature-dependent electricity contracts, which are sometimes referred to as renewable power purchase agreements (PPAs), to be better reflected in the financial statements. The amendments:

- Clarify the application of the own use exemption to these contracts.
- Amend the hedge accounting requirements to allow contracts for electricity from nature-dependent renewable energy sources to be used as a hedging instrument if certain conditions are met.
- Introduce additional disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and future cash flow.

The PE expects that the amendments, when initially applied, would not have a material impact on its financial statements.

22. Change in material accounting policies (continued)

22.2 New standards and interpretations, not yet adopted (continued)

Standards, Interpretations and amendments to published Standards that have not been early adopted – endorsed by the EC (continued)

Annual Improvements to IFRS Standards – Volume 11 (issued on 18 July 2024, effective from 1 January 2026)

In this volume of improvements, the IASB makes minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards. The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The amendments to IFRS 9 require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. They also clarify that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

The further four accounting standards encompass IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures; IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The PE expects that the amendments, when initially applied, would not have a material impact on its financial statements.

Standards and interpretations not yet endorsed by the EC

Management believes that it is appropriate to disclose that the following new or revised standards, new interpretations and amendments to current standards, which are already issued by the International Accounting Standards Board (IASB), are not yet endorsed for adoption by the EC, and therefore are not taken into account in preparing these financial statements. The actual effective dates for them will depend on the endorsement decision by the EC.

(a) IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024, effective from 1 January 2027)

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The major changes in the requirements are summarised below.

A more structured statement of profit or loss

IFRS 18 introduces newly defined 'operating profit' and 'profit or loss before financing and income tax' subtotals and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities: operating, investing and financing.

Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the 'most useful structured summary' of its expenses by either:

• nature;

• function; or

• using a mixed presentation.

If any operating expenses are presented by function, then new disclosures apply.

22. Change in material accounting policies (continued)

22.2 New standards and interpretations, not yet adopted by the Company (continued)

Standards, Interpretations and amendments to published Standards that have not been early adopted – endorsed by the EC (continued)

(a) IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024, effective from 1 January 2027)

MPMs – Disclosed and subject to audit

IFRS 18 also requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for Management Performance Measures ("MPMs"), requiring them to be:

• a subtotal of income and expenses;

• used in public communications outside the financial statements; and

• reflective of management's view of financial performance.

For each MPM presented, companies need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

Greater disaggregation of information

The new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

Companies are discouraged from labelling items as 'other' and are required to disclose more information if they continue to do so.

Other changes applicable to the primary financial statements

IFRS 18 sets operating profit as a starting point for the indirect method of presenting cash flows from operating activities and eliminates the option for classifying interest and dividend cash flows as operating activities in the cash flow statement (this differs for companies with specified main business activities). It also requires goodwill to be presented as a new line item on the face of the balance sheet.

Transition

In its annual financial statements prepared for the period in which the new standard is first applied, an entity shall disclose, for the comparative period immediately preceding that period, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.

(b) Other standards

The following new and amended standards are not expected to have a material impact on the Company's financial statements.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024, effective from 1 January 2027) and Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 21 August 2025, effective from 1 January 2027);
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025, effective from 1 January 2027)