

LIMITED LIABILITY COMPANY
"PLASTCHIM UKRAINE"

FINANCIAL STATEMENTS
for the year ended 31 December 2024
with Independent Auditor's Report

FINANCIAL STATEMENTS
for the year ended 31 December 2024

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INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the financial statements of LIMITED LIABILITY COMPANY "PLASTCHIM UKRAINE" (the Company), which comprise the balance sheet (statement of financial position) as at 31 December 2024, and the statement of profit and loss (statement of comprehensive income), statement of cash flows and statement of equity capital for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Ukrainian accounting standards ("NP(S)BO") and the requirements of the Ukrainian legislation on financial reporting.

Basis for Qualified Opinion

In Note 13 "Income Taxes" to the financial statements, the Company disclosed the tax effect of other permanent differences on income tax expense in the amount of tUAH 9 322. As of the date of this report, we have not received documents confirming the incurred other operating expenses, which give rise to the permanent tax difference that increases the tax profit for the reporting period. As a result, we were unable to obtain sufficient and appropriate audit evidence about the completeness of this disclosure as at 31 December 2024. We were unable to determine whether any adjustments to the transactions are necessary that could affect the financial results of the reporting year.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ukraine, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

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

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Oleksandr BILYK on behalf of NEXIA DK AUDIT LLC

Kyiv, 06 June 2025



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

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

Management of the Company is responsible for the preparation of the financial statements that present fairly, in all material respects, the financial position of the Company as at 31 December 2024, its financial performance and cash flows for the year then ended 31.12.2024 in accordance with Ukrainian accounting standards ("NP(S)BO").

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

- Selecting and applying appropriate accounting policies;
- Applying reasonable estimates and assumptions;
- Following the respective NP(S)BO and disclosure of all material deviations from NP(S)BOs in the notes to the financial statements;
- Preparation of the financial statements based on the assumption that the Company will continue as a going concern except the cases when such assumption is inappropriate.

Management is also responsible for:

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

The Company's financial statements as of 31 December 2024 were approved by its management on 6 June 2025.

(Signature)

Executive director / Rudolf Krajnak
(Position / Name)

(Signature)

Chief Accountant / Olena Besedina
(Position / Name)

Stamp



FINANCIAL STATEMENTS
for the year ended 31 December 2024

Appendix 1
To Ukrainian Accounting Standard 1
"General requirements to financial statements"

Entity: Limited Liability Company "PLASTCHIM UKRAINE"
Territory: Volyn region
Type of an entity: Limited Liability Company
Type of economic activity: Manufacturing of plastic plates, sheets, tubes and profiles
Average number of employees: 139
Address: 43020, Volyn region, Lutsk city, Rivnenska street, building 76A
Measuring unit: Thousands of UAH

Date (year month day)
acc. to EDRPOU
acc. to KATOTTG
acc. to KOPFG
acc. to KVED

CODES
2025 01 01
39555868
UA07080170010083384
240
22.21

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
as of 31 December 2024

Form № 1 DKUD 1801001

Assets	Item No	Notes	At the beginning of the year	At the end of the year
1	2	3	4	5
I. Non-current assets				
Intangible assets:	1000		98	219
cost	1001		697	874
accumulated amortization	1002		599	655
Construction-in-progress	1005		172 197	9 427
Property, plant and equipment:	1010		91 545	250 017
cost	1011		144 627	329 218
accumulated depreciation	1012		53 082	79 201
Long-term trade receivables	1040		-	-
Deferred tax assets	1045	13	-	-
Other non-current assets	1090		-	-
Total, non-current assets	1095		263 840	259 663
II. Current assets				
Inventories	1100	14	94 439	103 637
raw materials and supplies	1101		45 717	46 344
work-in-progress	1102		4 027	7 689
finished goods	1103		12 063	15 354
merchandise	1104		32 632	34 250
Trade receivables	1125		172 710	297 957
Other accounts receivable:				
prepayments made	1130		5 711	6 928
due from State budget	1135	15	6 724	4 956
including income tax	1136		2 129	1 829
Accrued income receivables	1140		-	-
Accounts receivable on intercompany settlements	1145		-	-
Other current receivables	1155		4	59
Cash and cash equivalents	1165	16	5 531	7 338
petty cash	1167		-	-
current bank accounts	1167		5 531	7 338
Deferred expenses	1170		614	543
Other current assets	1190		384	2 698
Total, current assets	1195		286 117	424 116
III. Non-current assets held for sale and discontinued operations	1200		-	-
TOTAL	1300		549 957	683 779

FINANCIAL STATEMENTS
for the year ended 31 December 2024

Equity capital and Liabilities	Item No	Notes	At the beginning of the year	At the end of the year
1	2	3	4	5
I. Equity				
Registered (share) capital	1400	17	12 000	12 000
Revaluation surplus	1405	17	40 395	37 352
Additional capital	1410		-	-
share premium	1411		-	-
Capital reserves	1415		-	-
Retained earnings	1420		55 160	4 721
Unpaid capital	1425		-	-
Treasury shares	1430		-	-
Other reserves	1435		-	-
Total, equity	1495		107 555	54 073
II. Long-term liabilities and provisions				
Deferred tax liabilities	1500	13	8 331	7 754
Pension plan liabilities	1505		-	-
Long-term bank loans	1510	18	36 611	80 006
Other long-term liabilities	1515	19	11 171	-
Long-term provisions	1520		-	-
Long-term provisions on payments to employees	1521		-	-
Special-purpose financing	1525		-	-
Total, long-term liabilities and provisions	1595		56 113	87 760
III. Current liabilities				
Short-term bank loans	1600		-	-
Current payables for:				
long-term liabilities	1610	18	24 407	17 760
goods, works, services	1615		302 558	457 306
due to State budget	1620		349	411
including income tax	1621		-	-
payables for insurance	1625		392	416
payables to employees	1630		1 515	1 477
advances received	1635		819	13 790
payables to equity owners	1640		-	-
current accounts payable on intercompany settlements	1645		-	-
Current provisions	1660		2 771	2 978
Deferred income	1665		-	-
Other current liabilities	1690	18, 20	53 478	47 808
Total, current liabilities	1695		386 289	541 946
IV. Liabilities arising from non-current assets held for sale and discontinued operations	1700		-	-
TOTAL	1900		549 957	683 779

Executive director

Chief Accountant



Rudolf Krajnak

Olena Besedina

FINANCIAL STATEMENTS

for the year ended 31 December 2024

Entity:

LIMITED LIABILITY COMPANY
"PLASTCHIM UKRAINE"
(name)

Date (year month day)
acc. to EDRPOU

CODES		
2025	01	01
39555868		

STATEMENT OF PROFIT AND LOSS
(STATEMENT OF COMPREHENSIVE INCOME)
for the year 2024

Form № 2

DKUD

1801003

I. PROFIT AND LOSS

Item	Item No	Notes	For reporting Period	For the previous period
1	2	3	4	5
Net revenue from sales of finished goods (merchandise, works, services)	2000	4	1 441 790	1 014 998
Cost of sales of finished goods (merchandise, works, services)	2050	5	(1 407 528)	(950 955)
Gross:			-	-
profit	2090		34 262	64 043
loss	2095		-	-
Other operating income	2120	6	7 069	9 354
Administrative expenses	2130	7	(32 381)	(29 314)
Selling expenses	2150	8	(19 967)	(16 560)
Other operating expenses	2180	9	(23 631)	(21 388)
Finance result from operating activities:				
profit	2190		(34 648)	6 135
loss	2195		-	-
Share of profit from associates and joint ventures at equity method	2200		-	-
Other financial income	2220		86	905
Other income	2240	10	6 655	5 251
Financial expenses	2250	11	(15 570)	(7 176)
Share of loss from associates and joint ventures at equity method	2255		-	-
Other expenses	2270	12	(10 282)	(14 493)
Result before income tax:				
profit	2290		-	-
loss	2295		(53 759)	(9 378)
(Expenses) benefit from income tax	2300	13	277	878
Profit (loss) from discontinued operations after tax	2305		-	-
Net result for the year:				
profit	2350		-	-
loss	2355		(53 482)	(8 500)

II. OTHER COMPREHENSIVE INCOME

Item	Item No	Notes	For reporting period	For the previous period
1	2	3	4	5
Revaluation of non-current assets	2400		-	51 163
Revaluation of financial instruments	2405		-	-
Accumulated exchange differences	2410		-	-
Share of other comprehensive income of associates and joint ventures	2415		-	-
Other comprehensive income	2445		-	-
Other comprehensive income before income tax	2450		-	51 163
Income tax on other comprehensive income	2455		-	(9 209)
Other comprehensive income after tax	2460		-	41 954
Comprehensive income (items 2350, 2355 and 2460)	2465		(53 482)	33 454

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

FINANCIAL STATEMENTS

for the year ended 31 December 2024

III. OPERATING EXPENSES

Item	Item No	Notes	For reporting period	For the previous period
1	2	3	4	5
Cost of materials	2500		470 701	357 020
Labor costs	2505		49 289	40 665
Social security charges	2510		10 399	8 628
Depreciation and amortization	2515		26 526	11 637
Other operating expenses	2520		101 594	46 717
Total	2550		658 509	464 667

IV. EARNINGS PER SHARE

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

Executive director

Chief Accountant



Rudolf Krajnak

Olena Besedina

FINANCIAL STATEMENTS

for the year ended 31 December 2024

Entity:

LIMITED LIABILITY COMPANY
"PLASTCHIM UKRAINE"

Date (year month day)

acc. to EDRPOU

CODES

2025 01 01

39555868

**STATEMENT
OF CASH FLOWS
(direct method)
for the year 2024**

Form № 3

DKUD

1801004

Item	Item No	Notes	For reporting Period	For the previous period
1	2	3	4	5
I. Cash flows from operating activities				
Proceeds from:				
Revenue from sales of goods (merchandise, works, services)	3000		1 440 642	1 117 825
Refund of taxes/compulsory charges	3005		12 536	31 988
including value-added tax	3006		12 536	31 985
Special-purpose funding	3010		-	-
Advances received from buyers and customers	3015		162 911	79 662
Return of prepayments made	3020		3 847	5 211
Interest on current accounts balances	3025		250	173
Proceeds from fines and fees from debtors	3035		-	-
Other proceeds	3095	21	653	937
Payments for:				
Goods (works, services)	3100		(1 171 894)	(950 366)
Labor	3105		(39 555)	(32 992)
Social security charges	3110		(10 352)	(8 636)
Taxes and charges	3115		(10 168)	(13 816)
payments for income tax	3116		-	(500)
payments for VAT	3117		-	(5 003)
payments for other taxes and fees	3118		(10 168)	(8 313)
Prepayments made	3135		(310 863)	(194 891)
Return of advances received	3140		(4 390)	(4 761)
Other payments	3190	21	(12 972)	(7 569)
Net cash flows from operating activities	3195		60 645	22 765
II. Cash flows from investing activities				
Proceeds from:				
financial investments	3200		-	-
non-current assets	3205		888	-
Proceeds from:				
interests	3215		86	314
dividends	3220		-	-
Payments for:				
financial investments	3255		-	-
non-current assets	3260		(82 565)	(46 095)
Other payments	3290		-	-
Net cash flows from investing activities	3295		(81 591)	(45 781)

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

FINANCIAL STATEMENTS
for the year ended 31 December 2024

Item	Item No	Notes	For reporting Period	For the previous period
1	2	3	4	5
III. Cash flows from financing activities				
Proceeds from:				
Equity capital	3300		-	-
Loans and borrowings	3305	18	54 263	38 461
Other receipts	3340		-	-
Payments for:				
Purchase of treasury shares	3345		-	-
Repayment of borrowings	3350	18	(17 747)	(19 739)
Dividends	3355		-	-
Interest expense	3360	18	(13 463)	(13 505)
Other payments	3390		(512)	-
Net cash flows from financing activities	3395		22 541	5 217
Net increase (decrease) in cash and cash equivalents	3400		1 595	(17 799)
Cash and cash equivalents at beginning of period	3405		5 531	22 978
Effect of foreign exchange rates on cash and cash equivalents	3410		212	352
Cash and cash equivalents at end of period	3415		7 338	5 531

Executive director

Chief Accountant



Rudolf Krajnak

Olena Besedina

LLC "PLASTCHIM UKRAINE"

FINANCIAL STATEMENTS
for the year ended 31 December 2024

Entity: **LIMITED LIABILITY COMPANY "PLASTCHIM UKRAINE"**

Date (year month day)
acc. to EDRPOU

CODES		
2025	01	01
39555868		

STATEMENT OF EQUITY CAPITAL
for the year 2024

From № 4

DKUD

1801005

Item	Item No	Registered (share) capital	Revaluation surplus	Additional capital	Capital reserves	Retained earnings	Unpaid capital	Bought out capital	Total
1	2	3	4	5	6	7	8	9	10
At the beginning of the year	4000	12 000	40 395	-	-	55 160	-	-	107 555
Adjustments:									
Changes in accounting policies	4005	-	-	-	-	-	-	-	-
Correction of errors	4010	-	-	-	-	-	-	-	-
Other changes	4090	-	-	-	-	-	-	-	-
At the beginning of the year, adjusted	4095	12 000	40 395	-	-	55 160	-	-	107 555
Net result for the year	4100	-	-	-	-	(53 482)	-	-	(53 482)
Other comprehensive income for the year	4110	-	-	-	-	-	-	-	-
Revaluation of non-current assets	4111	-	-	-	-	-	-	-	-
Earnings distributions:									
Dividends	4200	-	-	-	-	-	-	-	-
Transfer to capital reserves	4210	-	-	-	-	-	-	-	-
Owners contributions:									
Contributions to capital	4240	-	-	-	-	-	-	-	-
Payments on unpaid capital	4245	-	-	-	-	-	-	-	-
Capital outflow:									
Shares buy out	4260	-	-	-	-	-	-	-	-
Cancellation of redeemed shares (stakes)	4270	-	-	-	-	-	-	-	-
Other changes in capital	4290	-	(3 043)	-	-	3 043	-	-	-
Total changes in capital	4295	-	(3 043)	-	-	(50 439)	-	-	(53 482)
At the end of the year	4300	12 000	37 352	-	-	4 721	-	-	54 073

Executive director

Chief Accountant

Rudolf Krajnak

Olena Besedina

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

LLC "PLASTCHIM UKRAINE"

FINANCIAL STATEMENTS
for the year ended 31 December 2024

Entity:

LIMITED LIABILITY COMPANY "PLASTCHIM UKRAINE"
(name)

Date (year month day)
acc. to EDRPOU

CODES		
2024	01	01
39555868		

STATEMENT OF EQUITY CAPITAL
for the year 2023

Item	Item No	Registered (share) capital	Revaluation surplus	Additional capital	Capital reserves	From № 4	DKUD	1801005	
						Retained earnings	Unpaid capital	Bought out capital	Total
1	2	3	4	5	6	7	8	9	10
At the beginning of the year	4000	12 000	-	-	-	61 686	-	-	73 686
Adjustments:									
Changes in accounting policies	4005	-	-	-	-	-	-	-	-
Correction of errors	4010	-	-	-	-	415	-	-	415
Other changes	4090	-	-	-	-	-	-	-	-
At the beginning of the year, adjusted	4095	12 000	-	-	-	62 101	-	-	74 101
Net result for the year	4100	-	-	-	-	(8 500)	-	-	(8 500)
Other comprehensive income for the year	4110	-	41 954	-	-	-	-	-	41 954
Earnings distributions:									
Dividends	4200	-	-	-	-	-	-	-	-
Transfer to capital reserves	4210	-	-	-	-	-	-	-	-
Owners contributions:									
Contributions to capital	4240	-	-	-	-	-	-	-	-
Payments on unpaid capital	4245	-	-	-	-	-	-	-	-
Capital outflow:									
Shares buy out	4260	-	-	-	-	-	-	-	-
Cancellation of shares bought out	4270	-	-	-	-	-	-	-	-
Other changes in capital	4290	-	(1 559)	-	-	1 559	-	-	-
Total changes in capital	4295	-	40 395	-	-	(6 941)	-	-	33 454
At the end of the year	4300	12 000	40 395	-	-	55 160	-	-	107 555

Executive director



Chief Accountant

Rudolf Krajnak

Olena Besedina

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of UAH, unless otherwise specified)

APPROVED
The order of Ministry of Finance of Ukraine
29.11.2000 №302

Entity: Limited Liability Company "Plastchim Ukraine"
Territory: Volyn region
Type of an entity: Limited Liability Company
Type of economic activity: Manufacturing of plastic plates, sheets, tubes and profiles
Measuring unit: Thousands of UAH

Date (year month day)
acc. to EDRPOU
acc. to KATOTTG
acc. to SPODU
acc. to KOPFG
acc. to KVED

CODES		
2024	12	31
39555868		
UA07080170010083384		
240		
22.21		

NOTES
TO THE FINANCIAL STATEMENTS
for the year 2024

Form № 5 DKUD 1801008

Class of intangible assets	Item No	At the beginning of the year		Additions	Revaluation of		Disposals		Amortiza- tion for the year	Impair- ment for the year	Other changes		At the end of the year	
		cost (revalued cost)	accumu- lated amortiza- tion		cost (revalued cost)	accumu- lated amorti- zation	cost (revalued cost)	accumu- lated amortiza- tion			cost (revalued cost)	accumu- lated amortiza- tion	cost (revalued cost)	accumu- lated amortiza- tion
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Copyright and other similar rights	050	-	-	-	-	-	-	-	-	-	-	-	-	-
Other intangible assets	070	697	599	177	-	-	-	-	56	-	-	-	874	655
Total	080	697	599	177	-	-	-	-	56	-	-	-	874	655

Item no 080 column 14

cost (revalued cost) of intangible assets with restricted ownership rights

(081) -

carrying amount of intangible assets pledged as security for liabilities0

(082) -

carrying amount of self-constructed intangible assets

(083) -

Item no 080 column 5

carrying amount of intangible assets received in result of special-purpose funding

(084) -

Item no 080 column 15

accumulated amortization of intangible assets with restricted ownership rights

(085) -

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of UAH, unless otherwise specified)

II. PROPERTY, PLANT AND EQUIPMENT

Class of Property, Plant and equipment	Item No	At the beginning of the year		Additions	Revaluation of		Disposals		Depreciation for the year	Impairment of PPE	Other changes		At the end of the year		Including			
		cost (revalued cost)	accumulated depreciation		cost (revalued cost)	accumulated depreciation	cost (revalued cost)	accumulated depreciation			cost (revalued cost)	accumulated depreciation	cost (revalued cost)	accumulated depreciation	PPE received under finance lease agreements	PPE transferred under operating lease agreements	cost (revalued cost)	accumulated depreciation
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Land	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditures for land improvement	110	311	15	408	-	-	-	-	58	-	-	-	719	73	-	-	-	-
Buildings and structures	120	62 019	10 486	81 065	-	-	148	-	6 620	-	-	-	142 936	17 106	-	-	-	-
Machinery and equipment	130	75 287	38 399	102 517	-	-	959	284	18 074	-	13	-	176 858	56 189	-	-	-	-
Transport vehicles	140	3 036	1 472	-	-	-	-	-	284	-	-	-	3 036	1 756	-	-	-	-
Furniture and fixtures	150	414	328	540	-	-	-	-	187	-	-	-	954	515	-	-	-	-
Perennial plants	170	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other fixed assets	180	42	11	-	-	-	-	-	3	-	-	-	42	14	-	-	-	-
Library assets	190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Low-value items	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current tangible assets	250	3 518	2 371	1 222	-	-	67	67	1 244	-	-	-	4 673	3 548	-	-	-	-
Total	260	144 627	53 082	185 752	-	-	1 174	351	26 623	-	13	-	329 218	79 201	-	-	-	-

Item no 260 column 14	cost (revalued cost) of property, plant and equipment with restricted ownership rights	(261)	-
	carrying amount of property, plant and equipment pledged as security for liabilities	(262)	249 812
	carrying amount of temporarily idle property, plant and equipment	(263)	-
Item no 260 column 8	cost (revalued cost) of fully depreciated property, plant and equipment	(264)	5 038
	cost (revalued cost) of property, plant and equipment held for sale	(265)	-
Item no 260 column 5	carrying amount of fixed assets lost due to extraordinary events	(266)	-
	carrying amount of property, plant and equipment received in result of special-purpose funding	(267)	-
Item no 260 column 15	carrying amount of property, plant and equipment received under operating lease agreements	(268)	-
Item no 105 column 14	accumulated depreciation of property, plant and equipment with restricted ownership rights	(269)	-
	revalued cost of investment property valued at fair value		-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of UAH, unless otherwise specified)

III. CAPITAL EXPENDITURE

Item	Item No	For the year	At the end of the year
1	2	3	4
Capital construction	280	12 464	129
Purchase (construction) of property, plant and equipment	290	9 981	9 088
Purchase (construction) of other non-current assets	300	543	210
Purchase (construction) of intangible assets	310	171	-
Other	330	-	-
Total	340	23 159	9 427

Item no 340 column 3

capital expenditure on investment property

(341) -

financial expenses capitalized

(342) 1 557

IV. FINANCIAL INVESTMENTS

Line	Line code	For year	At the end of the year	
			Long-term	Short-term
1	2	3	4	5
A. Financial investments using equity method in:				
Associates	350	-	-	-
Subsidiaries	360	-	-	-
Joint ventures	370	-	-	-
B. Other financial investments:				
Shares in equity of other enterprises	380	-	-	-
Shares	390	-	-	-
Bonds	400	-	-	-
Other	410	-	-	-
Total (section A+ section B)	420	-	-	-

From line 1035 column 4 of Balance Sheet
(Statement of Financial Position)

Other long-term financial investments carried at:

Cost	(421)	-
Fair value	(422)	-
Amortized cost	(423)	-

From line 1160 column 4 of Balance Sheet
(Statement of Financial Position)

Current financial investments carried at:

Cost	(424)	-
Fair value	(425)	-
Amortized cost	(426)	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of UAH, unless otherwise specified)

V. INCOME AND EXPENSES

Item 1	Item No 2	Income 3	Expenses 4
A. Other operating income and expenses			
Operating lease	440	-	-
Operating currency exchange difference	450	3 149	21 395
Sale of other current assets	460	1 753	1 069
Fines and penalties	470	-	26
Other operating income and expenses	490	2 167	1 141
including: bad debt allowance expenses	491	X	-
Non-production costs	492	X	-
B. Other financial income and expenses			
Dividends	530	-	X
Interest	540	X	13 916
Other financial income and expenses	560	86	1 654
F. Other income and expenses			
Implementation of financial investments	570	-	-
Non-operational exchange rate difference	600	5 791	8 666
Assets received free of charge	610	28	X
Non-current assets written off	620	X	-
Other income and expenses	630	836	1 616

Barter transactions (631) -

Percentage of revenue from barter transactions (632) - %

Item no 540-560 column 4
financial expenses included in cost of sales (633) -

VI. CASH AND CASH EQUIVALENTS

Item 1	Item No 2	At the end of the year 3
Petty cash	640	-
Current bank account	650	7 243
Other accounts in the bank (letters of credit, checkbooks)	660	95
Cash in transit	670	-
Cash equivalents	680	-
Total	690	7 338

Item 1090 column 4 of the Balance sheet
Cash and cash equivalent balances that are not available for use (691) -

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
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VII. PROVISIONS AND ALLOWANCES

Type of provision	Item No	At the beginning of the year	Additions		Amounts used during the period	Unused amounts reversed during the period	Amount of expected reimbursement by third party taken into account while estimating a provision	At the end of the year
			Additional provisions made	Additional accruals				
1	2	3	4	5	6	7	8	9
Provision for unused vacation	710	2 771	4 529	-	4 322	-	-	2 978
Pension plan liabilities	720	-	-	-	-	-	-	-
Restructuring liabilities	740	-	-	-	-	-	-	-
Other provisions	760	-	-	-	-	-	-	-
Bad debt allowance	775	-	-	-	-	-	-	-
Total	780	2 771	4 529	-	4 322	-	-	2 978

VIII. INVENTORIES

Item	Item No	Carrying amount at the end of the year	Revaluation	
			Reversal of write-down	Write-down
1	2	3	4	5
Raw materials	800	26 965	-	-
Fuel	820	956	-	-
Packing materials	830	8 675	-	-
Building materials	840	-	-	-
Spare parts	850	9 574	-	-
Low value items	880	174	-	-
Work-in-progress	890	7 689	-	-
Finished goods	900	15 354	-	-
Merchandise	910	34 250	-	-
Total	920	103 637	-	-

Item no 920 column 3 carrying amount of inventories:

carried at fair value less costs to sell

(921) -

under processing

(922) -

pledged as security for liabilities

(923) -

transferred under commission agreements

(924) -

Inventories held under safe custody (off balance sheet account 02)

(925) -

Item no 1200 column 4 of the Balance Sheet

Inventories held for sale

* is determined by par. 28 of Regulation (Standard) of Accounting 9 "Inventories"

(926) -

IX. TRADE RECEIVABLES

Item	Item No	Carrying amount at the end of the year	Aging		
			less than 12 months	from 12 to 18 months	from 18 to 36 months
1	2	3	4	5	6
Trade receivables	940	297 957	297 866	91	-
Other receivables	950	59	59	-	-

Bad debts write off for the reporting period

(951) -

From items no 940 and 950 column 3: receivables from related parties

(952) 33 263

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of UAH, unless otherwise specified)

X. LOSSES AND SHORTAGES RESULTING FROM IMPAIRMENT

Item 1	Item No 2	Amount 3
Detected (written off) for a year of shortages and losses	960	-

XI. CONSTRUCTION CONTRACTS

Line 1	Item No 2	Amount 3
Revenue from construction contracts for reporting year	1110	-
Amounts outstanding at the reporting period end:		
Gross receivables due from customers	1120	-
Gross payables due to customers	1130	-
Advances received	1140	-
Overdue amounts at the year end	1150	-
Cost of works by subcontractors on construction contracts in progress	1160	-

XII. INCOME TAX

Item 1	Item No 2	Amount 3
Current tax expense	1210	300
Deferred tax assets:		
at the beginning of the year	1220	536
at the end of the year	1225	445
at the beginning of the year	1230	8 867
at the end of the year	1235	8 199
Included in the statement of profit and loss:		
current tax expense	1240	(277)
decrease (increase) in deferred tax assets	1241	300
increase (decrease) in deferred tax liabilities	1242	91
	1243	(668)
Included in the statement of changes in equity:		
current tax expense	1250	-
decrease (increase) in deferred tax assets	1251	-
increase (decrease) in deferred tax liabilities	1252	-
	1253	-

XIII. USE OF DEPRECIATION AND AMORTIZATION CHARGES

Item 1	Item No 2	Amount 3
Accrued for the year	1300	26 526
Used during the year	1310	26 526
Including:		
construction of objects	1311	-
purchase (construction) and modernization of property, plant and equipment	1312	25 812
including machinery and equipment	1313	-
purchase (construction) of intangible assets	1314	171
repayment of loans received for capital investments	1315	-
Purchase (manufacture) of other non-current tangible assets	1316	543
Acquisition (cultivation) of long-term biological assets	1317	-

NOTES TO THE FINANCIAL STATEMENTS
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(in thousands of UAH, unless otherwise specified)

XIV. BIOLOGICAL ASSETS

Biological assets group	Line code	At cost										At fair value				
		Balance at the beginning of the year		Additions	Disposed of		Depreciation charge	Impairment loss	Income from recovery of impairment	Balance at the end of the year		Balance at the beginning of the year	Additions	Change in fair value	Disposed of	Balance at the end of the year
		Cost	Accumulated depreciation		Cost	Accumulated depreciation				Cost	Accumulated depreciation					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Long-term biological assets - total	1410	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
including:																
Working livestock	1411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Productive livestock	1412	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Perennial plants	1413	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1414	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other long-term biological assets	1415	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current biological assets - total	1420	-	X	-	-	X	X	-	-	-	X	-	-	-	-	-
including:																
Livestock	1421	-	X	-	-	X	X	-	-	-	X	-	-	-	-	-
Biological assets in process of biological transformation (except for livestock)	1422	-	X	-	-	X	X	-	-	-	X	-	-	-	-	-
Other current biological assets	1424	-	X	-	-	X	X	-	-	-	X	-	-	-	-	-
Total	1430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

From line 1430 column 5 and column 14

Value of biological assets purchased through special-purpose financing

(1431) -

From line 1430 column 6 and column 16

Net book value of long-term biological assets, cost of current biological assets and fair value of biological assets lost as a result of force majeure

(1432) -

From line column 11 and column 17

Carrying amount of biological assets with restricted ownership rights

(1433) -

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of UAH, unless otherwise specified)

XV. FINANCE RESULTS FROM INITIAL RECOGNITION AND REALIZATION OF AGRICULTURAL PRODUCE AND ADDITIONAL BIOLOGICAL ASSETS

Line	Line code	Initial recognition value	Expenses related to biological transformation	Result from initial recognition		Impairment	Revenue from sales	Cost of sales	Financial result (profit +, loss -) from	
				Gain	Loss				Realization	Initial recognition and realization
1	2	3	4	5	6	7	8	9	10	11
Agricultural produce and additional biological assets in plant growing – total	1500	-	-	-	-	-	-	-	-	-
including:										
cereals and legumes	1510	-	-	-	-	-	-	-	-	-
From them:										
Wheat	1511	-	-	-	-	-	-	-	-	-
Soy	1512	-	-	-	-	-	-	-	-	-
Sunflower	1513	-	-	-	-	-	-	-	-	-
Rapeseed	1514	-	-	-	-	-	-	-	-	-
Sugar beetroots	1515	-	-	-	-	-	-	-	-	-
Potatoes	1516	-	-	-	-	-	-	-	-	-
Fruit (berry, drupaceous)	1517	-	-	-	-	-	-	-	-	-
Other agricultural produce – plant growing	1518	-	-	-	-	-	-	-	-	-
Additional biological assets – plant growing	1519	-	-	-	-	-	-	-	-	-
Agricultural produce and additional biological assets in livestock breeding – total	1520	-	-	-	-	-	-	-	-	-
including:										
Gain in weight – total	1530	-	-	-	-	-	-	-	-	-
From them:										
Cattle	1531	-	-	-	-	-	-	-	-	-
Pigs	1532	-	-	-	-	-	-	-	-	-
Milk	1533	-	-	-	-	-	-	-	-	-
Wool	1534	-	-	-	-	-	-	-	-	-
Eggs	1535	-	-	-	-	-	-	-	-	-
Other agricultural produce – livestock breeding	1536	-	-	-	-	-	-	-	-	-
Additional biological assets – livestock breeding	1537	-	-	-	-	-	-	-	-	-
Agricultural produce – fishing	1538	-	-	-	-	-	-	-	-	-
	1539	-	-	-	-	-	-	-	-	-
Agricultural produce and additional biological assets - total	1540	-	-	-	-	-	-	-	-	-

Executive director

Chief Accountant

Rudolf Krajnak

Olena Besedina

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

(in thousands of UAH, unless otherwise specified)

1. Information about the Company and core lines of business

Limited Liability Company "Plastchim Ukraine" (hereinafter – the "Company") is engaged in the production and sale of polypropylene shrink (packaging and tobacco) film.

The Company is a Limited Liability Company by its legal form.

In 2020, Tatrafan LLC, which owned 100% of the Company, attracted a strategic partner to participate in the authorized capital of the Company – the Bulgarian company JSC Plastchim-T by selling a 50% stake in the Company (25% in 2020 and 25% in 2021). JSC "Plastchim-T" occupies a leading position in the manufacture of polypropylene film in Europe and uses the latest available technology. As of 31 December 2024, the owner of the Company was JSC Plastchim-T (Bulgaria) 100%.

Legal and actual address: Ukraine, 43020, Volyn region, Lutsk city, Rivnenska street, building 76A.

The average number of personnel in 2024 was 139 employees (2023: 110).

2. The Company's operating environment

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

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

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

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

After suffering heavy human, infrastructural and financial losses since the beginning of the war, the Ukrainian economy remained stable throughout 2024. This was made possible by the high adaptability of business and the population to the conditions of the war and a favorable fiscal policy supported by large-scale international financing. Real GDP growth in 2024 (estimate by the Ministry of Economy) amounted to 3,6% (2023: growth of 5,3%).

Inflation increased to 12,0% year-on-year in December 2024 (2023: 4,9%). The main drivers of consumer price growth were increased business spending on energy supply and labor, rapid increase in food prices due to lower harvests, weakening of the hryvnia exchange rate, etc. According to the expectations of the National Bank of Ukraine, inflation is set to follow a stable downward trajectory in the second half of 2025.

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of UAH, unless otherwise specified)

2. The Company's operating environment (continued)

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

3. Summary of significant accounting policies

General information

These financial statements were prepared according to the National Ukrainian Accounting Standards ("NP(S)BO"), which were approved by Ministry of Finance of Ukraine and registered by Ministry of Justice of Ukraine and were enacted as of the date of these financial statements and Law of Ukraine "On Accounting and Financial Reporting in Ukraine" (the "Law") on the preparation of the financial statements.

The functional and presentation currency of these financial statements of the Company is Ukrainian hryvnia. The financial statements have been prepared in thousands of UAH, unless otherwise specified.

The Company used the following main accounting policies for preparation of the financial statements:

Functional currency

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

Transactions in foreign currencies

Transactions in a foreign currency are recorded in UAH at the exchange rate prevailing on the beginning of the date of the transaction.

All income, expenses and balances denominated in foreign currencies are translated into UAH using the official exchange rate by National Bank of Ukraine.

Foreign exchange currency differences concerning monetary assets and liabilities are recognized at the reporting date and at the date of transaction within the reporting period.

Foreign currency exchange rates in which financial instruments of the Company are denominated in relation to UAH, according to the National Bank of Ukraine ("NBU"), were as follows:

	As of 31 December 2024	Average for 2024	As of 31 December 2023	Average for 2023
UAH/USD	42,0390	40,1521	37,9824	36,5738
UAH/EUR	43,9266	43,4504	42,2079	39,5582

Significant accounting estimates and judgments

Preparation of the financial statements requires from the Company's management to make estimates and assumptions which influence the presentation in the financial statements of the amounts of assets and liabilities, income and expenses recognized in the financial statements, as well as the disclosure of information about contingent assets and liabilities.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of UAH, unless otherwise specified)

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

Useful lives of non-current assets

The Company estimates the remaining useful lives of non-current assets (property, plant and equipment, intangible assets) at least at the end of each financial year. Sometimes new expectations differ from previous estimates; these changes are considered to be a change in accounting estimates and are accounted for prospectively. These estimates can have a material influence on the carrying amount of non-current assets and depreciation and amortisation charge recognized in the statement of comprehensive income.

Impairment of property, plant and equipment

At each reporting date, the Company assesses whether there are indicators of possible impairment of a specific asset or a group of assets forming a cash generating unit. The evaluation of impairment of property, plant and equipment requires application of estimates which include determining the reason, time, and the amount of impairment. The estimation of impairment is based on a number of factors such as change in current competitive environment, expectation of the expansion of industry, increase in cost of capital, changes in future accessibility of financing, technological deterioration, termination of a certain type of activity, the recoverable amount, and other changes in circumstances leading to the recognition of impairment.

At the reporting dates presented in these financial statements, the estimate of the recoverable amount was higher than carrying amount of assets, therefore no impairment loss was identified.

Allowance for doubtful debts

Allowance for doubtful debts is accrued based on evaluation by the Company of the creditworthiness of specific debtors and maturity dates of overdue receivables. If the creditworthiness of any of large debtors worsens, or actual losses as a result of failure to fulfil by debtors of their liabilities exceed the Company's estimates, the actual results can differ from the mentioned estimates. Charging and reversing of allowance for doubtful debts can be significant.

Valuation of inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less any estimated selling costs. The Company evaluates its inventories for excess quantities and obsolescence and, if necessary, writes them off to their net realizable value.

Specifics of inventory accounting and calculation of production cost

The Company accounts for inventories using the weighted average cost method.

Taking into account the specifics of the SAP program and the needs of the Company, it was decided to account for only the material component (direct material costs) in the accounts of 25000000, 26000000 according to the approved cost cards for finished goods. Accounts 25009000, 26009000 were created to account for all other costs, which in accordance with UAS 16 are included in the production cost, i.e. the cost of both direct (non-material) and "indirect" costs.

The process of costing of manufactured and sold products takes place in 2 stages:

- Standard costing of manufactured and sold products (material component) - account 26000 (for semi-finished products 25000) - where the quantitative and cost accounting takes place.
- adjusting the actual cost of manufactured and sold products – account 26009 (for semi-finished - products 25009) - where cost accounting takes place.

Standard cost reflects the cost of material expenses for the production of finished products, which are calculated on the basis of economically justified norms and standards of their use (planned physical usage of resources multiplied by their planned cost).

The following differences between the planned and actual cost of finished products are subject to adjustment, which are recorded in additionally created accounts 25009 and 26009:

- The difference between the actual and planned price of purchased materials - occurs when purchasing all materials for the production of finished goods as a result of deviations of the actual price from the planned price of such materials;

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

(in thousands of UAH, unless otherwise specified)

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

- The difference between the actual and planned volumes of use of production resources - occurs in the production process as a result of deviations of the actual and planned physical volume of used material resources.
- The total amount of non-material actual production costs to be attributed to the cost of production.

The calculation is made at the end of the month based on the planned production capacity. It means that the value of overhead costs per unit of products to be distributed is determined

The balance on technical accounts is calculated:

- For finished goods: as a product of the quantity of finished goods at the end of the month multiplied by the estimated value of overhead costs per kilogram of finished goods for this month;
- For semi-finished goods: as a product of the quantity of semi-finished goods at the end of the month multiplied by the estimated value of overhead costs per kilogram of semi finished goods for this month multiplied by a factor of 0.9.

Transactions with related parties

In the regular course of business the Company has transactions with related parties. NP(S)BO 13 requires financial instruments to be accounted for on initial recognition at fair value plus costs directly attributable to acquisition or disposal of the financial instruments. In case of absence of the active market for such transactions the professional judgement is used to determine whether such transactions were carried out at market or non-market conditions. The pricing of similar types of transactions with unrelated parties and analysis of the effective interest rate are the basis for such judgements.

Going concern assumption

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

The Company's financial statements are prepared based on the assumption of its future operation, which provides for the realization of assets and the fulfilment of obligations in the course of ordinary activities. Therefore, these financial statements do not include any adjustments that might occur if the Company were unable to continue as a going concern in the future and if it did not dispose of its assets in the ordinary course of business.

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

The ongoing military invasion of the Russian Federation into Ukraine and the associated economic difficulties and possible decline in business activity increase uncertainty, which negatively affects the forecast of financial results for the coming year. In addition, other events and conditions set forth in Note 2 indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Based on the results of its operations in 2024 and 2023, the Company incurred a net loss of UAH 53,482 thousand and UAH 8,500 thousand, respectively. Despite the unprofitable financial result, the Company demonstrates stable operating cash flows: net cash flows from operating activities for 2024 amounted to UAH 60,645 thousand (2023: UAH 22,765 thousand).

As at 31 December 2024, the Company had positive equity of UAH 54,073 thousand (31.12.2023: UAH 107,555 thousand). The Company also continues to actively invest in its development, as evidenced by the increase in the value of property, plant and equipment to UAH 250,017 thousand at the end of 2024 (2023: UAH 91,545 thousand).

The Company is taking the following measures to address the liquidity shortage in the near future:

- The Company's management continues to negotiate with creditors to restructure the debt portfolio.
- The current debt includes a significant portion of amounts due to related parties, which will be deferred if necessary.

Management reasonably believes that:

- The Company has sufficient financial resources to continue in operational existence for the foreseeable future;
- Measures are being taken to further optimise costs and increase profitability;
- The going concern basis of accounting is appropriate for the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

(in thousands of UAH, unless otherwise specified)

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

Revenue from sales of finished goods (merchandise, works and services)

Revenue is recognized in accordance with NP(S)BO 15 "Revenue".

Revenue from the sale of finished goods (merchandise) is recognized when all the following conditions have been satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of services is recognized with reference to the stage of completion of services. The stage of completion is assessed through overview of works completed up to date.

Revenue is not recognized if a significant uncertainty in respect of the amount to be received, related expenses exists or if there is a probability of goods return.

The Company generates other income from sales of waste paper, income from sales of other current assets, income from sales of foreign currency. Other income is recognized if it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Net revenue from sales of goods (merchandise, works, services) is recognized net of any granted discounts and rebates, value of the returned goods, revenue related to principals on commission agreements, taxes and fees.

Expenses

Expenses are recognized in accordance with NP(S)BO 16 "Expenses". Expenses are recognised as expenses of the period simultaneously with recognition of revenue, for generation of which they are incurred. Expenses that cannot be directly linked to revenue of the certain period are presented in expenses of the reporting period in which they are incurred.

If it is expected to receive of economic benefits during a number of accounting periods, expenses are recognized on the basis of a systematic and rational allocation of the asset's value (for example through depreciation or amortization) over the relevant periods.

Taxation

Income tax is accounted for and presented in the financial statements in accordance with NP(S)BO 17 "Income Tax", income tax expenses include current tax expenses and deferred tax expenses. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged directly to equity or other comprehensive income, in which case the deferred tax is also dealt with in equity or other comprehensive income. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

In 2024, the Company was loss-making. The applicable income tax rate in 2024 was 18%.

Property, plant and equipment and intangible assets

Classification and accounting for property, plant and equipment and intangible assets is carried out according to NP(S)BO 7 "Property, plant and equipment" and NP(S)BO 8 "Intangible assets". The Company uses a revaluation model to account for property, plant, and equipment. Fair value was determined based on the results of valuations performed by external independent appraisers. The frequency of revaluations depends on changes in the estimated fair value of the assets. The last independent valuation of the fair value of the Company's property, plant, and equipment was performed on 30 June 2023, and is reflected in the accounts as of 31 December 2024.

Additions to property, plant and equipment are initially recognized at cost.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of UAH, unless otherwise specified)

3. Summary of significant accounting policies (continued)

Cost includes expenses directly incurred on the acquisition of property, plant and equipment and amounts paid to suppliers and contractors for the completion of the construction (except for indirect taxes which are reimbursed to the Company), non-refundable indirect taxes and duties associated with the acquisition of the assets, expenses on installation and set-up of property, plant and equipment, expenses on preparation of construction grounds. The cost of property, plant and equipment is increased by the amount of expenses related to the improvement of the asset, which leads to an increase in future economic benefits initially expected from the use of the asset.

Any increase in the carrying amount resulting from revaluation is recognized in the revaluation reserve in equity through other comprehensive income. The decrease resulting from revaluation that offsets previously recognized increase in the same asset is recognized within revaluation reserve through other comprehensive income, and any further decreases are recognized in the income statement. Expenses for current repairs and maintenance are recognized as expenses in the reporting period.

The following criteria are used to determine the useful life of property, plant and equipment:

- the expected term of use of the asset by the Company based on its capacity or performance;
- expected physical and technological wear;
- legal and other restrictions on the useful life of property, plant and equipment.

Depreciation of each group of property, plant and equipment is charged using the straight-line method over the estimated useful life, but not more than:

	<i>Years</i>
Buildings and structures	20
Machines and equipment	5
Vehicles	5
Tools, devices, inventory	4
Other fixed assets	12

Depreciation of other non-current tangible assets is charged at 100% when they are put into use. Depreciation is not charged on construction in progress and non-installed equipment. Depreciation is suspended for the period of reconstruction, modernization, completion and conservation of property, plant and equipment. The depreciation method, expected useful lives and the residual value of property, plant and equipment are reviewed by management at least once a year. The residual value is expected to be zero for most assets. Changes in estimates are adjusted on a prospective basis if it is necessary. Depreciation is charged starting from the first day of the month following the month in which the item of property, plant and equipment is inputted into operation.

Construction in progress comprises the value of construction in progress (including uninstalled equipment), which is planned to be used by the Company, as well as prepayments made to buy items of construction in progress. Accounting for expenses concerning construction in progress is carried out separately for every item of construction in progress by expense type. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to flow from the continued use of the asset. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year when the item is derecognized.

Impairment of non-current assets

The Company assesses, at each reporting date, in accordance with NP(S)BO 28 "Impairment of assets" whether there is an indication that an asset may be impaired. Assets subject to depreciation are assessed for impairment whenever any events or changes in circumstances indicate that the carrying amount of an asset may exceed its recoverable amount. The asset is impaired when the carrying value of the asset exceeds its recoverable amount. An impairment loss is recognized in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is higher of two evaluations of an asset (or cash-generating unit): fair value less costs to sell and its value-in-use. For the purpose of impairment assessment, the assets are grouped into the smallest groups for which it is possible to allocate separately identifiable cash flows (cash-generating units).

Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are included in the cost of that asset.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
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3. Summary of significant accounting policies (continued)

The commencement date for capitalisation is the date when the Company first meets all of the following conditions:

- a) it incurs expenditures for the asset;
- b) it incurs borrowing costs;
- c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Capitalization of borrowing costs continues up to the date when the assets are substantially ready for their use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Inventories

The Company recognizes and accounts for inventories according to NP(S)BO 9 "Inventories".

At the reporting date inventories are valued at lower of cost and net realizable value. Cost of inventories includes cost of purchase, transportation expenses, non-refundable customs duties directly related to inventories purchase and bringing them to the state in which they are ready for use. The unit of accounting for inventories - each of their names.

Inventories include raw materials, spare parts, finished goods, merchandise for further resale. Inventories are written off using weighted average method.

Financial instruments

The Company recognizes financial assets and liabilities, when it becomes a party to the contractual arrangement for a particular financial instrument.

Financial assets and liabilities are initially measured at fair value.

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

Effective interest rate method

Effective interest rate method is the method of calculating the amortization of a discount or premium, in which the amount of amortization is defined as the difference between income at a fixed interest rate and the product of the effective interest rate and amortized cost at the beginning of the period for which interest is accrued.

Financial assets

Financial assets include trade receivables, other receivables and cash and cash equivalents. The Company's financial assets are non-derivative, fixed or identifiable payments. They are measured at actual or amortized cost using the effective interest rate method, less any impairment losses.

Interest income is recognized using the effective interest method, except for short-term receivables.

Accounts receivable

Trade receivables are measured at net realizable value, i.e. net of allowance for doubtful debts. The amount of the allowance for doubtful debts is determined by accruing allowance in respect of receivables overdue for more than 365 days.

The allowance for doubtful debts is also accrued on receivables in respect of which legal proceedings were initiated regardless whether they are overdue as of the reporting date.

Increase in allowance for doubtful debts is expensed to profit and loss and included in other operating expenses. The reversal of allowance is included in other operating income.

Cash and cash equivalents

Cash and cash equivalents comprise cash in banks in local and foreign currencies.

Derecognition of financial assets

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
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3. Summary of significant accounting policies (continued)

The Company derecognizes a financial asset only when the contractual rights to cash flows from that asset cease to exist; or when it transfers the financial asset and all significant risks and rewards of ownership of the asset to the other party.

When a financial asset is fully derecognized, the difference between the asset's carrying amount and the amount of consideration received and receivable and accumulated profit or loss recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

Financial liabilities and equity instruments issued by the Company

Classification as debt instruments or equity instruments

Debt instruments and equity instruments are classified either as financial liabilities or as equity in accordance with the nature of the contractual relationship and the definitions of the financial liability and equity instrument.

Equity instruments

Equity instrument is any contract that gives rise to the right to a part of the Company's assets that remains after deducting all of its liabilities.

Financial liabilities

Financial liabilities are classified as "other financial liabilities".

Other financial liabilities, including trade payables, payroll payables and other current liabilities, are initially measured at fair value less transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities only if the Company's obligations are fulfilled, paid off or have expired. The difference between the carrying amount of a financial liability that is derecognized and the consideration paid and/or payable is recognized in profit or loss.

Liabilities

Liabilities are recognized and accounted for according to UAS 11 "Liabilities". Liability is recognized if its amount can be measured reliably and it is probable that the economic benefits associated with the transaction will flow from the Company when liability is settled.

If at the reporting date previously recognized liability is no longer repayable its amount is recognized as income of the period. Current liabilities are recognized in the amount of their expected repayment.

Provisions

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Expenses related to provisions are recognized in profit and loss.

Provision for unused vacations

Provision for unused vacations is presented in line 710 "Provision for unused vacations" of Section VII "Provisions" of the notes to the financial statements. Provision for unused vacations is calculated based on the actual number of days worked and the average daily wage of employees.

Leasing

A lease is classified as a financial lease if it transfers substantially all the risks and rewards incidental to ownership of an asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an asset.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of UAH, unless otherwise specified)

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

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term. When the Company is a lessor and all risks and rewards under an operating lease are not transferred to a lessee, a total amount of operating lease payments is recognised in the statement of comprehensive income using a proportionate recognition method over the lease term.

Equity capital

According to Ukrainian legislation enterprises can distribute all profit determined according to NP(S)BO as dividends or transfer it to reserves according to their statutes. Further usage of cash resources transferred to reserves can be legally restricted; amounts transferred to reserves should be used for the specific purposes determined at the moment of transfer.

Dividends distribution is made only from the current year profit amounts or retained earnings recognized in the financial statements according to NP(S)BO but not from the amounts transferred to reserves.

Contingent liabilities and contingent assets

Contingent liabilities are not recognised in the financial statements unless there is the possibility of an outflow of resources embodying economic benefits when liabilities is repaid and a reliable estimate of such liabilities can be made.

The information on contingent liabilities is disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

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

Events after reporting date

Events, which took place after the reporting date and prior to the date of approval of the financial statements to be issued which provide additional information regarding the financial statements of the Company, are reflected in the financial statements.

The events which took place from the end of the reporting period to the date of approval of the financial statements which provide information about the conditions that arose after the reporting period and which do not influence the financial statements of the Company as of the reporting date, are disclosed in notes to the financial statements if these events are significant.

Transactions with related parties

Information about transactions with related parties is disclosed in accordance with NP(S)BO 23 "Disclosure of Information about Related Parties".

Reporting segments

Reporting operating or geographical segments include the separate parts of the Company's activity in the production and/or sale of a particular type (or group) of products (goods, works, services) in a particular economic environment that are different from others.

The Company does not consider that operating or geographical segments take place in its activity which meet most of the criteria for determining them, set out in NP(S)BO 29 "Reporting segments".

Changes in accounting policy

In 2024 there were no changes in accounting policy which could significantly influence the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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4. Net revenue from sales of finished goods (merchandise, works, services)

	2024	2023
Revenue from sale of merchandise	892 055	582 512
Revenue from finished goods	542 226	432 036
Revenue from rendering of services	7 509	450
	1 441 790	1 014 998

5. Cost of sales of finished goods (merchandise, works, services)

	2024	2023
Cost of merchandise sold	835 519	540 685
Cost of sold finished products	565 050	410 270
Cost of services provided	6 959	-
	1 407 528	950 955

The cost of sold finished products is presented as follows:

	2024	2023
Raw materials	469 962	355 974
Labor costs	28 814	29 916
Depreciation and amortization	25 349	10 482
Utility services	22 012	13 372
Social security charges	6 257	-
Other operating expenses	12 656	526
	565 050	410 270

6. Other operating income

	2024	2023
Operating exchange rate difference	3 149	4 674
Income from the sale of other current assets	1 753	406
Income from buying and selling currency	870	244
Insurance compensation	516	-
Interest income on current account balances	250	173
Write off uncollectible accounts payable	-	3 627
Other income from operating activities	531	230
	7 069	9 354

7. Administrative expenses

	2024	2023
Labor costs	19 793	14 518
Professional services of third-party organizations	4 265	6 805
Bank services	1 677	1 786
Repairs and maintenance	1 370	389
Staff costs	1 112	1 245
Depreciation and amortization	946	1 030
Materials used	739	641
Communication, office expenses	421	402
Rent and maintenance of the premises	254	300
Utilities	218	81
Other expenses	1 586	2 117
	32 381	29 314

NOTES TO THE FINANCIAL STATEMENTS
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8. Selling expenses

	2024	2023
Transportation costs	14 682	11 325
Labor costs	4 824	4 859
Depreciation and amortisation	231	125
Professional services	195	238
Other expenses	35	13
	19 967	16 560

9. Other operating expenses

	2024	2023
Operating exchange rate difference	21 395	16 016
Costs for buying and selling currency	1 141	4 237
Cost of sold inventories	1 069	406
Fines and penalties	26	26
Other expenses	-	703
	23 631	21 388

10. Other income

	2024	2023
Non-operating exchange rate differences	5 791	4 380
Gain on sale of non-current assets	836	811
Assets received free of charge	28	60
	6 655	5 251

11. Financial expenses

	2024	2023
Loan interest	13 916	5 352
Losses from financial liabilities at amortized cost	1 139	1 602
Other financial expenses	515	222
	15 570	7 176

12. Other expenses

	2024	2023
Expenses from non-operational exchange rate differences	8 666	10 434
Charity	946	-
Cost of non-current assets sold	760	1 083
Impairment of non-current assets	-	2 976
	10 282	14 493

13. Income tax

The components of the income tax expense are presented below:

	2024	2023
Current income tax	300	-
Deferred tax	(577)	(878)
	(277)	(878)

NOTES TO THE FINANCIAL STATEMENTS
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13. Income tax (continued)

The reconciliation of income tax expense and profit before tax multiplied by the applicable tax rate for the years ended 31 December 2024 and 2023 is presented below:

	2024	2023
Profit / (loss) before tax	(53 759)	(9 378)
Income tax at applicable tax rate, 18%	(9 677)	(1 688)
Tax impact of permanent differences on other operating expenses	9 332	-
Changes in unrecognized deferred tax assets	68	810
Income tax expense	(277)	(878)

The deferred tax liabilities of the Company as of 31 December were as follows:

	31.12.2024	Financial results	Other comprehensive income	31.12.2023
		Origination and reversal of temporary differences	Origination and reversal of temporary differences	
Property, plant and equipment	(7 754)	577	-	(8 331)
Deferred tax assets/(liabilities)	(7 754)	577	-	(8 331)

	31.12.2023	Financial results	Other comprehensive income	31.12.2022
		Origination and reversal of temporary differences	Origination and reversal of temporary differences	
Property, plant and equipment	(8 331)	878	(9 209)	-
Deferred tax assets/(liabilities)	(8 331)	878	(9 209)	-

14. Inventories

As of the reporting dates the Company's inventories consisted of the following:

	31.12.2024	31.12.2023
Merchandise	34 250	32 632
Raw materials	26 965	29 802
Finished goods	15 354	12 063
Spare parts	9 574	7 791
Supporting materials	8 675	7 047
Work-in-progress	7 689	4 027
Fuel	956	961
Low-value and perishable items	174	75
Building materials	-	41
	103 637	94 439

NOTES TO THE FINANCIAL STATEMENTS
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15. Accounts receivable from State budget

Accounts receivable from State budget consisted of the following:

	31.12.2024	31.12.2023
Value added tax	3 010	4 595
Income tax	1 829	2 129
Other taxes and fees	117	-
	4 956	6 724

16. Cash and cash equivalents

The Company's cash and cash equivalents are presented below:

	31.12.2024	31.12.2023
Current bank accounts in national currency	7 243	1 957
Deposit bank accounts in national currency	95	3 574
	7 338	5 531

17. Registered (share) capital

As of 31 December 2024, registered (share) capital was approved and fully paid and amounted to:

	Share in 2024, %.	Share in 2023, %.	31.12.2024	31.12.2023
LLC "TATRAFAN"	0%	50%	-	6 000
JSC "Plastchim-T"	100%	50%	12 000	6 000
	100%	100%	12 000	12 000

On 13 June 2024, the general meeting of the company's shareholders decided to sell a 50% share in the charter capital of Plastchim Ukraine LLC, namely a share with a nominal value of UAH 6 000 thousand, to JSC Plastchim-T for a price of EUR 550 000 thousand. On 18 June 2024, the state registration of the change in the membership of Plastchim Ukraine LLC was carried out.

As of 31 December 2024 and 2023, the Company's controlling parties are "Tatrafan" LLC and "Plastchim-T" JSC.

Capital in reassessments

The excess of the amount of previous revaluations of the object of fixed assets over the amount of previous revaluations of the residual value of this object of fixed assets every month in an amount proportional to the calculation of depreciation shall be included in the retained earnings with a simultaneous reduction of the capital in revaluations.

As of 31 December 2024, capital in revaluations consisted of the revaluation reserve of fixed assets in the amount of UAH 37 352 thousand (2023: UAH 40 395 thousand).

18. Bank loans

	31.12.2024	31.12.2023
long-term bank credits		
Long-term bank loans (line 1510)	80 006	36 611
	80 006	36 611
Short-term bank credits		
Current share of long-term bank loans (line 1610)	17 760	24 407
Accrued interest (line 1690)	420	668
	18 180	25 075
	98 186	61 686

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18. Bank loans (continued)

The terms, book values of liabilities and the type of interest rate as of 31.12.2024 are presented as follows:

Bank	Maturity date	Interest rate type	Currency	Contract type	Repayment up to 1 year	Repayment from 1 to 5 years
JSC "Pumb"	01.06.2027	fixed	UAH	Revolving credit facility	2 460	73 540
JSC "Pumb"	10.04.2028	Fixed	UAH/EUR	Revolving credit facility	15 300	6 466

The terms, book value of liabilities and the type of interest rate as of 31.12.2023 are presented as follows:

Bank	Maturity date	Interest rate type	Currency	Contract type	Repayment up to 1 year	Repayment from 1 to 5 years
JSC "Piraeus Bank ICB"	30.06.2026	fixed	UAH	long-term non-renewable revocable credit line	9 550	14 235
JSC "Piraeus Bank ICB"	30.06.2026	fixed	UAH	long-term non-renewable revocable credit line	14 857	22 286

Movements in bank loans for the year ended 31 December 2024 and 31 December 2023 are as follows:

	Loans and borrowings	Interest	Total
Balances as of 31.12.2022	80 299	595	80 894
<i>Cash transactions:</i>			
Receipt of loans	-	-	-
Repayment of loans	(19 739)	-	(19 739)
Payment of interest	-	(13 505)	(13 505)
<i>Non-cash transactions:</i>			
Capitalization of interest	-	8 226	8 226
Accrued interest	-	5 352	5 352
Exchange rate difference	458	-	458
Balances as of 31.12.2023	61 018	668	61 686
<i>Cash transactions:</i>			
Receipt of loans	54 263	-	54 263
Repayment of loans	(17 747)	-	(17 747)
Payment of interest	-	(13 463)	(13 463)
<i>Non-cash transactions:</i>			
Capitalization of interest	-	1 219	1 219
Accrued interest	-	12 074	12 074
Exchange rate difference	232	(78)	154
Balances as of 31.12.2024	97 766	420	98 186

Information on property, plant and equipment pledged as collateral to secure the Company's obligations under bank loans as of 31 December 2024 is provided in Note II. Property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
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19. Other long-term liabilities

In January 2021, the Company entered into a contract to purchase used equipment from a non-resident. Payment for equipment in accordance with the terms of the contract shall be made in equal installments, quarterly, starting from the first quarter of 2021 and ending in the fourth quarter of 2025.

The Company recognized long-term accounts payable in accordance with the requirements of NP(S)BO 11 "Liabilities", i.e. it at present value at the date of delivery of equipment.

The balances of long-term accounts payable as at 31.12.2024 and 31.12.2023 are as follows:

	31.12.2024	31.12.2023
Accounts payable to the supplier for equipment	13 481	24 919
Discount	(497)	(1 556)
The present value of debt	12 984	23 363
Short-term portion	12 984	12 192
Long-term portion	-	11 171

20. Other current liabilities

The Company's other current liabilities as at 31.12.2024 and 31.12.2023 are as follows:

	31.12.2024	31.12.2023
Loans received in foreign currency	43 927	42 208
Debt on accrued %	3 093	1 124
VAT on advances issued	732	346
Repayable financial assistance	-	9 800
Other current liabilities	56	-
	47 808	53 478

Changes in foreign currency loans for the years ended 31 December 2024 and 31 December 2023 are presented as follows:

	Loans and borrowings	Interest	Total
Balance as of 31 December 2022	-	-	-
<i>Money transactions</i>			
Receipt of loans	38 461	-	38 461
<i>Non-monetary transactions:</i>			
Exchange rate differences	3 747	18	3 765
Accrued interest	-	439	439
Balance as of 31 December 2023	42 208	457	42 665
<i>Money transactions</i>			
Receipt of loans	-	-	-
<i>Non-monetary transactions:</i>			
Exchange rate differences	1 719	36	1 755
Accrued interest	-	1 842	1 842
Capitalised interest	-	338	338
Balance as of 31 December 2024	43 927	2 673	46 600

21. Disclosure to Cash Flow Statement

Cash flows from operating activities (other proceeds):

	2024	2023
Social Security	455	-
Other proceeds	198	937
	653	937

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21. Disclosure to Cash Flow Statement (continued)**Cash flows from operating activities (other payments):**

	2024	2023
Repayment of short-term repayable assistance	9 800	-
Payments from bank services	1 670	2 091
Payments to funds for the report	945	1 420
Costs of buying and selling foreign currency	255	3 993
Other payments	302	65
	12 972	7 569

22. Transactions with related parties

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may engage in transactions that may not always be set with unrelated parties and may not be based on the same terms, conditions and amounts of transactions that take place between unrelated parties.

The Company's management (2024: 3 persons, 2023: 3 persons) received the following remuneration for the years ended 31 December, which is included in the administrative expenses:

	2024	2023
Current payments to employees (note 7. Administrative expenses)	3 529	3 025

The balances of trade and other receivables due from related parties as at 31 December were as follows:

	31.12.2024	31.12.2023
Companies under common control	33 263	30 442
Parent company	-	26 075
	33 263	56 517

The balances of trade and other payables due to related parties as at 31 December were as follows:

	31.12.2024	31.12.2023
Parent company	379 212	238 880
Companies under common control	2 747	53 335
	381 959	292 215

	2024	2023
Parent company		
Purchases of goods, works, services	774 403	460 416
Sales of goods, works, services	91 251	187 975
Receipt of financial assistance	-	38 461

The Company had the following transactions with related parties:

	2024	2023
Companies under common control		
Sales of goods, works, services	168 056	174 339
Purchases of goods, works, services	142 843	213 841
Repayment of financial assistance	9 800	2 000
Purchase of property, plant and equipment	248	1

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22. Transactions with related parties (continued)

Terms and conditions of transactions with related parties

The balances with related parties at the end of the reporting period are unsecured and are repayable in cash. Related party balances are interest-free. The Company did not receive any financial guarantees from related parties. For the years ended 31 December 2024 and 31 December 2023, the Company did not recognize an impairment loss of receivables related to amounts due from related parties.

23. Contingencies and contractual commitments

Taxation

Management believes the Company complied with all applicable tax legislation.

Legal issues

As of 31 December 2024 and 2023, no significant claims or complaints were addressed to the Company.

Social liabilities

The Company makes contributions to obligatory and voluntary social programs. The Company's social assets and social programs contribute to public benefits in wide sense and usually are not restricted only to the Company's employees.

24. Fair value of financial instruments

The Company's financial instruments comprise cash and cash equivalents, trade and other receivables, cash and cash equivalents, bank loans, other long-term liabilities, trade and other accounts payable. The carrying amount of the Company's financial assets and liabilities as of 31 December 2024 and 2023 is presented in the table below:

	31.12.2024	31.12.2023
Financial assets		
Trade receivables	297 957	172 710
Cash and cash equivalents	7 338	5 531
Other current receivables	59	4
	305 354	178 245
	31.12.2024	31.12.2023
Financial liabilities		
Current accounts payable for goods, works, services	457 306	302 558
Long-term bank loans	80 006	52 676
Other payables	44 368	36 611
Short-term part of a long-term loan	17 760	24 407
Other non-current liabilities	-	11 171
	599 440	427 423

Carrying amount of financial instruments of the Company approximates their fair value.

Fair value of assets and liabilities is determined as follows.

Fair value of assets and liabilities in respect of which active market quotations for the identical assets and liabilities exist and if they are available to the Company is determined based on the mentioned quotations.

Fair value of assets and liabilities not traded on active markets is determined based on the different valuation techniques based mainly on market or income approach, namely discounted cash flow method. These techniques are in first place based on observable input data, if available. In case such observable input data are not available the Company uses internal data specific to the Company.

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25. Financial instruments and risk management

Capital management

The Company manages its capital to ensure the Company's ability to continue as a going concern and maximize its profitability through optimization of debt to equity ratio. The management regularly reviews the capital structure of the Company. Based on the management review the Company takes steps to balance its capital structure.

Credit risk

Main financial assets of the Company are cash and cash equivalents and trade and other receivables.

The maximum level of credit risk of the Company as a whole is reflected in the carrying amount of financial assets, which is shown in the balance sheet.

The Company's policy on credit risk management is aimed at carrying out operations with contractors with a positive reputation and credit history. The Company's cash and cash equivalents are mainly placed in major Ukrainian banks with

solid reputation. The Company constantly monitors its accounts receivable with aim to identify and timely react to the liquidity worsening of the Company's counterparties.

The average credit period provided to buyers during 2024 was 75 days (2023: 64 days).

As of 31 December 2024, the balance of the Company's 5 largest trade debtors accounted for 77,46% of the total trade receivables balance (31 December 2023: 69%).

Liquidity risk

Liquidity risk is the risk that the Company may face difficulties while repaying its financial liabilities. The Company's liquidity position is carefully monitored and managed. The Company uses detailed budgeting and cash flow forecast to keep a proper level of highly liquid assets to meet its liabilities as they fall due. The majority of the Company's expenses is variable and depends on the volume of the goods sold.

The following table details the Company's remaining contractual maturity for its financial liabilities.

The table has been drawn up based on the undiscounted cash flows of financial liabilities using the earliest date on which the Company can be required to pay. The table includes both the principal amount of the debt and interest as of 31 December 2024 and 2023. The amounts in the table may not be equal to the statement of financial position carrying amounts since the table includes all cash outflows on an undiscounted basis.

31.12.2024	Book value	On demand	Up to 3 months	3-12 months	1-5 years	More than 5 years	Total
Current accounts payable for goods, works, services	457 306	-	444 322	12 984	-	-	457 306
Long-term bank loans	80 006	-	-	-	84 317	-	84 317
Short-term part of a long-term loan	17 760	-	6 494	18 283	-	-	24 777
Other payables	44 368	-	44 368	-	-	-	44 368
	599 440	-	495 184	31 267	84 317	-	610 768

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25. Financial instruments and risk management (continued)

31.12.2023	Book value	On demand	Up to 3 months	3-12 months	1-5 years	More than 5 years	Total
Current accounts payable for goods, works, services	302 558	-	290 366	12 192	-	-	302 558
Other payables	52 676	-	52 676	-	-	-	52 676
Long-term bank loans	36 611	-	-	-	40 922	-	40 922
Short-term part of a long-term loan	24 407	-	8 155	23 268	-	-	31 423
Other long-term liabilities	11 171	-	-	-	11 171	-	11 171
	427 423	-	351 197	35 460	52 093	-	438 750

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates in relation to the national currency. Exposure to foreign currency risk relates to monetary assets and liabilities denominated in foreign currencies.

The Company operates in the Ukrainian market and generates cash flows in UAH (functional currency) and foreign currencies by selling manufactured goods and products. The Company incurs operating expenses mainly in functional currency.

The table below shows the concentration of currency risk as at 31 December:

31.12.2024

Financial assets

Trade receivables

Financial liabilities

Trade payables

Other current receivables

Euro

19 599

(369 223)

(43 927)

(393 551)

31.12.2023

Financial assets

Trade receivables

Financial liabilities

Trade payables

Other current receivables

Long-term bank loans

Euro

26 077

(181 728)

(42 208)

(17 967)

(215 826)

The table below shows the sensitivity analysis of the Company's profit / (loss) before tax to probable change in foreign currency exchange rates, provided all other variables remain unchanged.

	Increase (decrease) in foreign currency exchange rate, %	Effect on profit (loss) before tax
2024		
EUR	20	(78 710)
EUR	(5)	19 678

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25. Financial instruments and risk management (continued)

	Increase (decrease) in foreign currency exchange rate, %	Effect on profit (loss) before tax
2023		
EUR	20	(43 165)
EUR	(5)	10 791

26. Events after reporting date

On 14 April 2025, the general meeting of shareholders of the Company was held at which it was decided to make an additional cash contribution to the authorized capital of the Company in the amount of EUR 1 000 thousand which is the equivalent of UAH 47 168,7 thousand. As of the date of approval of these financial statements, the share of the sole participant, Joint Stock Company "Plastchim-T", is 100% in the amount of UAH 59 168,7 thousand.

The demand for the Company's services is stable, the Company is expanding its activities outside the territory of Ukraine.

There are currently no problems with personnel, the Company has enough personnel to ensure continuous operations. Management does not intend to liquidate the Company or cease its operations and expects the Company to be able to operate for at least 12 months from the date of these financial statements.

However, carrying out the Company's normal activities and ensuring its stable financial condition in the future depends on further changes in the military-political, financial and economic situation in Ukraine, the terms of the cessation of hostilities and the end of martial law, the restoration of air, land and sea connections.

Apart from the events described above, after the reporting date and before the date of approval of these financial statements, no material events occurred that would provide additional information about the financial statements of the Company and that should be reflected in the financial statements.