CONSOLIDATED ANNUAL FINANCIAL REPORT OF LOG SYMPATIA HOLDING a.s.

FOR THE ACCOUNTING PERIOD

From 1 January 2024

To 31 December 2024

Reporting Company overview

Reporting company name	Log Sympatia Holding a.s.
Registered office	Příkop 843/4, Zábrdovice, 602 00 Brno
Legal form	B 8260 vedená u Krajského soudu v Brně
Identification No.	086 59 630
VAT No.	CZ08659630
Line of business	Log Sympatia Holding a.s. is holding joint stock company owning industrial buildings in Croatia and Slovenia through its subsidiaries. Its purpose lies in management, financing, implementation and lease of these real estates.
Registered capital	2 000 000 CZK

Content

1. GENERAL INFORMATION

1.1 REPORTING ENTITY

Company structure and identification

Log Sympatia Holding a.s. ("the Company") is a joint stock company incorporated and registered in the Czech Republic with registered address at Příkop 843/4, Zábrdovice, 602 00 Brno, Czech Republic.

The Company was formed on 4 November 2019 and registered in Commercial Register kept by the Municipal court in Brno, section B, file 8260.

Registration number: 086 59 630

The registered subject of the Company's business is production, trade and services. Currently the company manages, finances, implements the construction and lease of the given real estate.

Ownership

As of 31 December 2024, the ownership structure of the Company was as follows:

- Log Expert Development s.r.l. (with its registered address 23 Lorena Street, room 2, ap.11, 300001 Timisoara, Romania, Registration number: J35/1135/2011, Identification number: 28470916) – 50 % of equity shares
- Sympatia Projects, s. r. o. (with its registered address Vajnorská 21 A, 831 03 Bratislava - Nové Mesto, Slovenia, Registration number: 54 246 890) – 40 % of equity shares
- MB Cons Solutions s.r.l. (with its registered address 16 Fargas Street, Dumbravita Village, Timis Country, Romania, Registration number: J35/2279/2015, Identification number: 35220793) - 10 % of equity shares

The ultimate beneficial owner registered under Ministry of Justice of the Czech Republic are:

- Ecaterina Onica (indirect beneficial owner)
- Branislav Habán (indirect beneficial owner).

The Statutory body

The statutory body of the company is represented by the Board of Directors. The Board of directors is composed by two members:

- Ing. Branislav Habán
- Adrian Stanisav.

Both members of the Board of Directors act jointly on behalf of the company.

The Supervisory body and the audit committee

The Supervisory body of the company is represented by:

- Ing. Marek Laššák
- Bogdan Martin
- Member no. 3.

Number of the members of the Supervisory body is 3. As at 31 December 2024 the Supervisory body has only two members.

The Audit committee is represented:

- Oana Alexandra Gaspar

- Michal Baňas
- Irenej Denkocy.

1.2 SHARE CAPITAL OF LOG SYMPATIA HOLDING A.S.

The Company issued 100 registered shares in certified form with a nominal value of 20 000CZK per one share. The total amount of share capital is 2 000 000 CZK and is fully paid.

There has been no change in the number of equity shares issued during the period.

The Company has not acquired any own shares during the reporting period.

1.3 REPORTING GROUP ("LOG SYMPATIA HOLDING GROUP" OR "LSH GROUP")

Basic information

Nature of LSH Group's operations and principal activities focus on investing both own and clients' funds in primarily industrial andcommercial real estate projects.

The LSH Group actively search, thoroughly analyse and successfully implement high-quality real estate projects that guarantee the best return-to-risk ratio. The investment activities are subject to supervision by the National Bank of Slovakia and foreign regulatory authorities.

The LSH Group offering stable and long-term sustainable returns on investments supported by visible and tangible projects in real economy.

Group Structure

The LSH Group had the following subsidiaries as of December 31, 2024:

Company	Registered office	From	Ownership interest	Segment
Log Sympatia Holding a.s.	Příkop 843/4, Zábrdovice, 602 00 Brno	4.11.2019	Top holding company	Czech Republic
LOG EXPERT ONE d.o.o.	Ilica 1, Zagreb, 10000, Croatia	1.4.2020	100 % Subsidiary	Croatia
LOG EXPERT TWO d.o.o.	Ilica 1, Zagreb, 10000, Croatia	26.3.2021	100 % Subsidiary	Croatia
LOG EXPERT THREE d.o.o.	Ilica 1, Zagreb, 10000, Croatia	10.8.2021	100 % Subsidiary	Croatia
LOG EXPERT FOUR d.o.o.	Ilica 1, Zagreb, 10000, Croatia	14.10..2021	100 % Subsidiary	Croatia
LOG EXPERT SEVEN d.o.o.	Ilica 1, Zagreb, 10000, Croatia	21.10.2023	100 % Subsidiary	Croatia
LOG EXPERT EIGHT d.o.o.	Ilica 1, Zagreb, 10000, Croatia	14.4.2023	100 % Subsidiary	Croatia
LOG EXPERT TEN d.o.o.	Ilica 1, Zagreb, 10000, Croatia	24.1.2024	100 % Subsidiary	Croatia
LOG ONE d.o.o.	Pot za Brdom 102, Ljubljana, 1000 Ljubljana	22.1.2021	100 % Subsidiary	Slovenia
LOG TWO d.o.o.	Pot za Brdom 102, Ljubljana, 1000 Ljubljana	27.10.2021	100 % Subsidiary	Slovenia

2. CORPORATE GOVERNANCE AND ADMINISTRATION

Corporate governance code

The Company issued bonds traded on the Bratislava Stock Exchange j.s.c. (BSSE) and therefore the Company is required to submit a declaration on the code of corporate governance. However, due to the fact that there is no binding corporate governance regime in the Czech Republic, which the Company has to comply with, the Company at the date of the consolidated annual financial report did not commit to comply with any specific corporate governance regime.

Nevertheless, the Company and the Group are firmly committed to maintaining an effective framework for the control and management of the Company´s and Group's business. The Company puts much emphasis on respecting all statutory rights of the sole shareholder. The Company strictly adheres to the principle of disclosure and transparency. The Company follows in particular Business Corporations Act, Civil Code, Corporate Criminal Liability Act and Capital Market Undertakings Act.

The Company does not apply voluntarily policies and procedures, internal controls and the rules of the risks in relation to the accounting process beyond the mandatory requirements of Capital Market Undertakings Act.

Bodies of the Company

Log Sympatia Holding a.s. had the following bodies in 2024:

- General Meeting
- Board of Directors
- Statutory Body
- Audit Committee.

General Meeting

The General Meeting is the supreme body of the Company. The General Meeting must be held at least once in a financial year of the Company, no later than six months from the last day of the previous financial year at the request of the Statutory Body.

During the year 2024, three ordinary General Meetings were held by the Company. On 7 June 2024, this General Meeting took place which in particular approved the financial statements of the Company for the year 2023. The shareholders approved the Statutory Body's proposal to distribute the loss generated in 2023 to the account of undistributed profit of previous years.

On 19 December 2024, an amendment to the proposed amendment to the Articles of Association was approved by the Company's General Meeting resulting in the establishment of the Audit Committee. At the same time, the members of the Supervisory Board and the members of the Audit Committee were elected.

During the year 2024 the General Meeting held by the Company on 23 December 2024 appointed BDO Audit s.r.o. as a statutory auditor of individual and consolidated financial statements for the year 2024.

Board of Directors

The Board of Directors of the Company has 2 members.

he Board of Directors is responsible for the day-to-day management of the Company's operations under the supervision of the Supervisory Board. Status, powers, composition, decision-making and other basic rights and obligations as well as rules of procedure are included in Articles of Association of the company . The Board of Directors is required to keep the Supervisory Board informed, to consult with the Supervisory Board on important matters and to submit certain important decisions to the Supervisory Board for its approval, as more fully described below. The members of the Board of Directors are elected by the Supervisory Board. A member of the Board of Directors is appointed for a period of five years. A member of the Board of Directors may be reappointed. The Supervisory Board may also dismiss any member of the Board of Directors at any time.

The Board of Directors appoints a Chair and two regular member from amongst its members.

The Board of Directors constitutes a quorum if a majority of its members is present or otherwise takes part in a meeting. It takes a decision by a majority of votes of the present or otherwise participating members. In case of a tie, the vote of the Chair decides. Resolutions of the Board of Directors require the approval of the General Meeting when these relate to an important change in the identity or character of the Company or its business.

The Board of Directors acts on behalf of the Company towards third parties, in which case the Chair of the Board of Directors together with a member of the Board of Directors shall act jointly.

Meetings of the Board of Directors are convened as the need arises.

Supervisory Body

The Supervisory Board is responsible for supervising the conduct of and providing advice to the Board of Directors and for supervising the Company's business generally. In performing its duties, the Supervisory Board is required to consider the interests of the Company's business. Status, powers, composition, decision-making and other basic rights and obligations as well as rules of procedure are included in Articles of Association of the Company. The members of the Supervisory Board are not authorised to represent the Company in dealings with third parties. The members of the Supervisory Board are elected by the General Meeting.

A member of the Supervisory Board is appointed for a period of five years. A member of the Supervisory Board may be reappointed. The General Meeting may elect alternate member/s for filling free posts of members of the Supervisory Board according to the predefined order. If the alternate members are not elected, the Supervisory Board, in which the number of members elected by the General Meeting has not decreased by more than one half, may appoint substitute member until the next General Meeting. The term of office of a substitute member of the Supervisory Board shall not be applied towards the term of office of a member of the Supervisory Board.

The Supervisory Board consists of two of three members. The Supervisory Board shall appoint a chairperson from amongst its members. The General Meeting may at any time suspend or dismiss Supervisory Board members. The Supervisory Board constitutes a quorum if a majority of its members is present or otherwise takes part in a meeting. It takes a decision by a majority of votes of the present or otherwise participating members. In case of a tie, the vote of the chairman decides. The Supervisory Board may also take decisions per rollam.

Audit Committee

The scope of the Audit Committee is laid down by the law. The Audit Committee assists in supervising the activities of the Statutory Body with respect to:

- recommendation of a selected auditor of the financial statements of the Company,
- monitoring the audit of the Company's financial statements for the previous financial year; becoming familiar with the details of the results of these audits at their various stages,
- presenting to the Statutory Body its findings and recommendations relating to the audit and evaluation of the financial statements for the previous financial year, as well as the Statutory Body's proposed distribution of profit or coverage of loss,
- presenting to the Statutory Body its findings and recommendations on granting a discharge to the member of the Statutory Body in charge of the economic and finance department for the duties he/she performed,
- performing other tasks determined by the Statutory Body depending on the needs arising from the Company's current situation,
- submitting to the Statutory Body annual reports on the Audit Committee's operations

The Company has no internal auditor.

Description of diversity policy

Due to the fact that there is no binding diversity policy regime in the Czech Republic, which the Company has to comply with, the Company, as at the date of the annual report, did not commit to comply with any specific diversity policy (as defined in Capital Markets Act section 118.4h). Regardless of age, gender or other indicators, the Company places main emphasis on search and appointment of the most suitable candidates into the governance bodies of the Company (Statutory Body or Audit Committee), taking account on their background, experience and qualification for performance of the position of a member of the relevant governance body of the Company. The Company also assess candidates´ knowledge in the business field of the Company or nature of activities of the relevant body. All people suitable for the positions in the governance bodies of the Company are chosen in a non-discriminatory manner. The Company´s long-term effort is to build a culture that is professionally open to everyone, regardless of gender, race, color, nationality, ethnic, origin, worldview, religion, health, age or sexual orientation.

The Company is not required to prepare a sustainability report pursuant to Section 32f(1) of Act No. 563/1991 Coll., on Accounting.

Financial reporting process

Entities in the LSH Group keep their accounting primarily in accordance with the local accounting standards. For consolidation purposes of the Group parallel general ledgers according to International Financial Reporting Standards as adopted by the European Union (IFRS Accounting Standards) are prepared. The Group management periodically evaluates results prepared in line with IFRS Accounting Standards.

Accounting, reporting or other finance processes are managed centrally by the Group external service organization in Czech Republic.

Accounting information systems of Group companies are different as each segment/country has its own external service organization for ensuring the accounting. Pohoda is used for the Company Log Sympatia Holding a.s. The consolidation tool for data of all Group companies is not in any accounting system; the Company uses Excel spreadsheets program developed by Microsoft. It is part of the Microsoft Office suite and is used for data organization, analysis, and visualization. It is widely used in business, finance, and education for tasks such as budgeting, forecasting, and data analysis. The Company and the LSH Group follow the internal guidelines with respect to e.g. the circulation of accounting documents, approval processes etc., and consolidation accounting and reporting rules. The approval procedures specify the transaction limits or other conditions that particular employees can approve. The payments are made only if approved by a specified employee, the treasury function is personally separated from accounting function. The information system access rights are granted after approval by people specified in internal guidelines only to authorized employees and only to limited parts of the system valid for the employee´s job specification.

The accounting is under an oversight of the controlling department that is separated from external accounting service organizations used by LSH Group. The process both personally and in terms of organization structure is separated. The Board of Directors and the Supervisory Body oversees the Companys´ and Groups´results on regular basis.

The Company and Group results are regularly audited by external auditor. The Audit Committee overseeing the audit process and findings of the Company.

Dividend policy

The Board of Directors of the Company approved the Company's dividend policy for the period. The intention of the Board of Directors is to maintain the current trend and do not distribute to shareholders the profit for each financial year up to the long-term strategy will be met and the LSH Group will be free from external financing. No dividends were paid for current and prior period.

3. INFORMATION ON BUSINESS ACTIVITES AND OVERVIEW OF THE ACCOUNTING PERIOD

3.1 INFORMATION ON BUSINESS ACTIVITES

The principal activity of the Company is the issuance of the bonds and the subsequent provision of intra-group financing to the LSH Group by way of a loan, credit or other forms of financing from the proceeds of the issue of debt securities if necessary. The Company is not currently engaged in any other business activity.

Bonds issued

During the year 2024 Log Sympatia Holding a.s. issued bonds based on prospectus of the bond dated on 26 April 2024. The Base Prospectus was approved on 13 May 2024 by the National Bank of Slovakia, the competent authority of the Slovak Republic pursuant to Section 120(1) of Act No. 566/2001 Coll. on Securities and Investment Services and on Amendments and Additions to Certain Acts, as amended (the "Securities and Investment Services Act").

The issued bonds began its trading on a regulated market in 2024.

Bond Trading Data Information is available under the following Bratislava Stock Exchange link:

- LSH I.EUR 7 % 12/27 (ISIN: SK4000023255): Detail CP - Burza cenných papierov
- LSH II.EUR 8 % 12/27 (ISIN: SK4000023248): Detail CP - Burza cenných papierov
- LSH III.EUR 9% 12/27 (ISIN: SK4000023735): Detail CP - Burza cenných papierov.
- LSH IV.EUR 9,5% 4/27 (ISIN: SK4000026530): Detail CP – Burza cenných papierov.

During the year 2024 Company issued bonds LSH IV. 9,5 % 4/27 (ISIN: SK4000026530).

3.2 THE MOST SIGNIFICANT RISKS THAT ARE SPECIFIC TO THE COMPANY AS BOND ISSUER

The purchase and ownership of the Bonds involve a number of risks, the most significant of which are set out later in this chapter. The risk factors set out in this chapter are ranked according to their significance, likelihood of occurrence, severity, and the expected extent of their adverse impact on the Issuer's business, or as the case may be, the Company's financial statements The risk factors below are categorized according to their nature and are listed only in a limited number. Within each category, the most significant risk are listed first. The following summary of risk factors is not exhaustive..

3.2.1 Risk factors related to the Company

The Company's business is affected by various risk factors. The risk factors set out below represent the most significant risk that may adversely affect the Company's financial and economic condition, business and ability to meet its obligations.

3.2.1.1 Risks relating to the Issuer's financial position

Risk of dependence of the Company on the business of subsidiaries

The Company without a long business history. The Company was established solely for the purpose of managing and financing its over which the Company has ownership and/or management control. The subsidiaries were established for the purpose of development, construction and leasing of logistics halls in Croatia and Slovenia. Therefore, the Company's object is to provide financing for these projects, implemented through the, mainly in the project preparation and construction phase. The Company's main sources of income are: a) dividend income of the, which is derived from the profits from the rental income of the logistics centres, b) resources from the increased refinancing of bank loans (refinancing of the construction loan into an investment loan), c) income from the sale of the subsidiaries after the successful completion of the projects and income from the sale of the assets of the subsidiaries. The Company's financial position and its ability to meet its obligations under the Bonds are dependent on the ability of the aforementioned subsidiaries to generate cash flow and profit. Therefore, if given subsidiaries are unable to generate the expected returns, the Company's ability to meet its obligations under the Bonds to the Bondholders may be adversely affected. The provision of financing by the Company to the Subsidiaries is therefore subject to a number of risks and there can be no assurance that the Subsidiaries will always be able to generate sufficient proceeds and that the Company will be able to obtain in time to enable it to pay its obligations to the Bondholders.

For the foregoing reason, all of the circumstances and risk factors also apply to the individual companies in question, which could adversely affect the business of such , their results of operations and financial condition and, consequently, their ability to repay their obligations under the Bonds.

Subsidiaries of the Company are exposed to rising prices of building materials

The Company's subsidiaries use various types of construction raw materials and materials in the execution of their projects under construction, the prices of which may quite significantly, which may have a negative impact on the development of the lCompany's profit margins and its operating results, while the cost of securing input price fixing from suppliers may cause theCompanyto incur additional costs. The Company's subsidiaries operate in an industry that is directly dependent on the prices of construction raw materials and supplies, which are determined internationally, and any increase in the prices of such raw materials and supplies may affect the Company's financial position. Similarly, a shortage of one or more materials or raw materials, a failure of individual supply chains or an increase in prices may adversely affect the Issuer's financial position and its ability to meet its obligations under the Bonds.

Risk of rising interest rates

The Group is exposed to the risk of rising interest rates, as the subsidiaries also use bank financing to implement their projects. The interest rates on bank financing are a composite of the base rate and the bank's margin. The long-term development of interest rates in the market in which the subsidiaries operate depends on the policy of the European Central Bank ('ECB'). In 2022 and 2023, we have seen high inflation as well as rising interest rates in the European Union and therefore in the Eurozone whereby the ECB has stabilised and reduced inflation through monetary policy.

The Group anticipates that in the coming periods the ECB will change its monetary policy and interest rates in the financial markets will start to fall again, which will be reflected in a subsequent reduction in the interest rates at which the Group subsidiaries raise cash from commercial banks to finance projects. Hedging the risk against rising interest rates is carried out through financial derivatives, which represent additional financial costs.

Risk associated with occupancy of commercial premises

Demand for commercial space is strongly influenced by economic conditions both locally and globally (due to the growing share of international tenants). Accordingly, any adverse developments at the macroeconomic level or any other causes that could lead to a reduction in economic activity could have a material adverse effect on the Company. These include, in particular, changes in the supply of and demand for real estate or a reduction in real estate market activity in the countries in which the Subsidiaries operate, which may adversely affect occupancy rates or rental levels. Similarly, there may be a decrease in demand for rental space in the Issuer's subsidiaries' upcoming projects as a result of adverse economic conditions or an increase in the supply of available space. This could result in lower occupancy rates, capital expenditures required to attract or retain tenants, lower income.

Liquidity risk

Liquidity risk is the risk of short-term shortage of liquid funds to pay the Issuer's maturing obligations, i.e. imbalance in the structure of the Company's assets and liabilities. Liquidity, i.e. easy access to , is essential to the business, particularly in connection with the financing of the business activities of its . Liquidity risk includes, in particular, the risk of not being able to finance assets with instruments of appropriate maturity and interest rate, the risk of not being able to obtain liquid assets quickly enough or in sufficient quantity and the related risk of not being able to pay maturing liabilities.

As the Company will have no sources of funds other than its receivables from its, it cannot be excluded that the Company will face a liquidity shortage which could adversely affect its business, economic results and financial condition and, therefore, its ability to meet its obligations under the Bonds.

Risk of bankruptcy (insolvency)

The inability of the Subsidiaries to repay funds to the Company may lead to the Company 's bankruptcy (insolvency) because the Company, , does not have any other sources of funds necessary to meet its obligations (including obligations under the Bonds) other than the receivables due from the . If the Company becomes insolvent, bankruptcy or restructuring proceedings may be commenced against it.

Risk of subordination of claims

As most of the Company 's claims are claims against persons who are "related parties" of the Company, in the event of bankruptcy, restructuring or other similar proceedings in relation to the assets of such debtors of the Company, the Company 's claims against such persons will be subordinated to the claims of other unrelated creditors of such persons, as a result of which the Issuer's claims may be satisfied at a very low to nil rate. In such an adverse situation, the Issuer's ability to repay its obligations under the Bonds may be impaired.

Risk of further indebtedness

The Company 's acceptance of further debt financing) may ultimately mean that in the event of bankruptcy, restructuring, liquidation or other similar proceedings in respect of the Company, claims on the Bonds will be satisfied to a lesser than if such other debt financing had not been accepted.

The reasons for the current indebtedness of the subsidiaries and the Company are based on objective reasons, as the Company raises cash for the Group exclusively by issuing bonds and subsequently provides cash in the form of loans to the subsidiaries for the implementation of projects for the construction and lease of logistics halls.

3.2.1.2 Risks related to the Issuer's business activities

Currency risk

The Subsidiaries operate in countries where the Euro (EUR") is the currency of payment and their income and expenses are denominated in EUR. The Company issues the Bonds in EUR and is therefore indirectly exposed to currency risk in the event of significant volatility in the EUR/CZK exchange rate. The use of hedging instruments may increase or decrease the exposure to CZK but may not eliminate the exposure to such risk altogether.

Overall economic situation in the business region

The region of business of the Group is the Czech Republic, Slovakia, Croatia and Slovenia. The overall economic situation in the aforementioned project development region directly influences the economic results of the subsidiaries domiciled or doing business therein and, therefore, also the Company. The risk that the Company 's economic results will deteriorate to a greater or lesser extent as a result of a significant negative change in the economic development of the countries in this region cannot be excluded.

Risk of loss of key persons

The risk of loss of key persons represents the risk that the Company and the Group will not be able to sufficiently motivate and retain persons who are key to the Group's ability to develop and implement the Company 's key strategies. Key Persons of the Issuer include members of the Company s senior management:

- Gabriel Bitea - responsible for strategy, client communication and construction management and execution
- Branislav Habán - statutory body, responsible for strategy, financing and communication with investors
- Bogdan Martin - responsible for construction management and implementation
- Adrian Stanisav - statutory body, responsible for financial management
- Marek Laššák - responsible for strategy, financial management and communication with banks and investors

The departures of managers or key employees could adversely affect the Company 's business, financial condition and results of operations, which could indirectly adversely affect the Company 's ability to meet its obligations under the Bonds. Growth in demand over supply of skilled labour may cause an exodus of key persons and the Company may have to expend a greater amount of to retain or attract employees. This may have a negative impact on the Company 's increased costs and, therefore, the Issuer's profitability.

Risk of change in the strategy

Although the Company is not aware of any plans for a change in investment strategy, it cannot be excluded that a change in the current ownership structure will result in a change in the future overall strategy of the Company.

Risk of litigation

In the event of legal or arbitration proceedings, the Company exposes itself to the potential risk that such proceedings could result in a change in the Company 's financial position. In the 12 months preceding the date of this Prospectus, the Company is not aware of any legal, administrative or arbitration proceedings affecting the Company and the Company is not aware of any threat of such proceedings.

3.2.2 Risk Factors Relating to the Bonds

3.2.2.1 Risks relating to the nature of the securities

Inflation risk

In general, inflation depreciates the currency in which the Bond is denominated. the Bond may be subject to a risk of value depreciation depending the level of inflation and the duration of the Bond, which is a reflection of the the bond’s sensitivity to changes in interest rates.. The higher the duration of the Bond, the more an investment in such instrument may depreciate in value as inflation increases. If the amount of inflation exceeds the amount of the nominal yields on the Bonds, the value of the real yields on the Bonds will be negative.

Risk of default

Like any other loan, the Bonds are subject to the risk of default. In the adverse circumstances the Company may not be able to repay its obligations under the Bonds and the value to Bondholders of the Bonds when they are sold may be less than the amount of their original investment. The Issuer's current obligations are comprised almost entirely of issues of the Bonds. The sources of income for the repayment of the Bonds are almost exclusively in the form of loans granted by the Company to subsidiaries corresponding to the amount of the Bonds issued, including the relevant interest. The subsequent repayment of the Company's obligation is therefore dependent on the repayment of the obligation of the Subsidiaries to the Company.

Risk of low market liquidity

The Bonds will be admitted to trading on a regulated market, but given the uncertainty as to whether a sufficiently liquid secondary market will be established, trading in them may generally be less liquid than trading in other securities. Or, even if a sufficiently liquid secondary market is created, whether such a secondary market will persist. Indeed, in a potentially illiquid market, it may not be possible at any time to sell the Bonds at an adequate (i.e., investors asking) price, which may have a negative impact in particular on Bondholders who have invested in the Bonds for the purpose of trading them on the secondary market and making a profit from such trading or also on who are forced for other reasons to sell the Bonds before their maturity. Bondholders generally hold the Bonds purchased by the Company until their maturity or redemption by the Company and do not expose themselves to the risk of low liquidity. In the event of a need to sell the Bonds early, investors may contact their dealer, who may arrange for the sale of the Bonds on behalf of their clients. In this case, the client is exposed to the aforementioned risk as the securities dealer may not be able to find a client interested in purchasing the Bonds. Neither the Securities Dealer nor the Bank will be makers and, therefore, may not quote prices for the Bonds on a binding basis.

Prepayment risk

As the Terms and Conditions of Issue of the Bonds allow for their early redemption in full,if such early redemption of the Bonds occurs prior to their maturity date, there exists a valid risk of a lower than expected total return due to such early redemption as well as reinvestment risk in the event that the pre-paid principal amount cannot be reinvested with a comparable return in the given market circumstances.

Risk of tax and levy burden

In assessing the attractiveness of an investment in the Bonds, a potential investor should take into account the tax laws of the country of tax, the country in which the trade in the Bond is settled, or any other country whose tax laws and customary tax burdens may affect the performance of the investment in the Bond itself or the return on the investment in the Bond. Prospective purchasers or sellers of the Bonds should be aware that they may be liable for taxes, levies or other claims or charges in accordance with the laws and customs of the country in which the transfer of the Bonds takes place or any other relevant to the situation. Any changes in tax regulations may also cause the resulting yield on the Bonds to be lower than originally anticipated and/or that the investor may be paid a lower amount on the sale or maturity of the Bonds than originally anticipated.

Risk of Zero Interest Bonds

Bonds are subject to the risk that the price of such Bonds in the secondary market will decline as a result of changes in interest, and the prices of such Bonds are more volatile than prices of the Fixed Rate Bonds and may respond more significantly to changes in market interest rates compared to Bearing Bonds of similar maturity.

Risk of fees and other expenses

The amount of the return on an investment in the Bonds may be adversely affected by fees, such as fees payable in connection with the purchase, sale and participation of a Bond in a settlement system. These fees may include fees for account opening, transfers or funds transfers and relate mainly to secondary trading. The amount of proceeds (the amount to be paid) may also be affected by other payments made in respect of the Bonds (such as taxes and other expenses).

3.2.2.2 Risks relating to the security of the Bonds

Risk of a direct claim exclusively against the Company

The Bonds are issued solely by the Company, which is the sole obligor on the obligations under the Bonds. No other person provides any guarantee or other security in respect of the Bonds which would enable the Bondholders to assert any direct claim under the Bonds against any person other than the Company or against the property of any person other than the Company.

3.3 EVALUATION OF THE ACCOUNTING PERIOD

The perio from 1 January 2024 to 31 December 2024 was a very successful year for the LSH Group. During the year 2024, the Company focused on the completion of development projects already commenced, acquisition activity and fundraising activity for other planned projects.

During the year, the Group expanded with a new entity, Log Expert Ten d.o.o.. The LSH Group prepares more real estate projects within Croatia, Slovenia and Czech Republic.

LSH Group project highlights for 2024:

- Completed development of:
  - DC3 building in Zagreb, Velika Gorica under Log Expert One d.o.o
  - DC4 building in Zagreb, Velika Gorica under Log Expert Four d.o.o.
  - DC2 building in Zdenicna under Log Expert Two d.o.o.
- Acquired additional land plots and commenced construction of DC5 + DC6 building in Zagreb, Velika Gorica
- Acquired additional land plots in Ljubljana, Brnik area
- Advanced permitting process and project development on existing land bank

3.4 ALTERNATIVE PERFORMANCE INDICATORS

Even though ESMA (European Securities and Markets Authority) does not require a reconciliation of Alternative Performance Indicators (APM) to financial statements if the APM can be defined from the financial statements, we add such a reconciliation for better understanding of our calculation of Total profit and Debt Service Coverage Ratio (DSCR) and Loan to Value (LTV).

3.4.1 Total profit

The Company uses Total profit because it is an important economic indicator showing a business's operating efficiency comparable to other companies, as it is unrelated to the Company's depreciation and amortisation policy (as the projects are shown as at their fair value). Total profit indicator is also treated as a good approximation for residual cash flow. Additionally, it is one of the fundamental indicators used by companies worldwide to set their key financial and strategic objectives. The Company uses total profit indicator also in budgeting process, benchmarking with its peers and as a basis for remuneration for key management staff. Such indicator is also used by stock exchange and bank analysts.

3.4.2 Debt Service Coverage Ratio (DSCR)

The Company uses DSCR because it is an important economic indicator referring to one of the external financing covenant.

The Group is focused on key financial metrics including DSCR for the purpose of the calculation of covenants, the Group has made a revaluation of Investment Property under Development to its fair value as of 31st December 2024 and 31 December 2023 and 1 January 2023.

DSCR was 1,23 as at 31st December 2024, compared to 1,20 in the end of year 2023 against a minimum covenant ratio of 1,20.

3.4.1 Loan to Value (LTV)

The Company uses DSCR because it is an important economic indicator referring to one of the external financing covenant.

The Group is focused on key financial metrics including LTV for the purpose of the calculation of covenants, the Group has made a revaluation of Investment Property under Development to its fair value as of 31st December 2024 and 31 December 2023 and 1 January 2023.

Financial Covenant LTV (Loan to Value) was 51,7 % as of 31st December 2024, compared to 49,1 % in the end of year 2023, against maximum covenant ratio of 70 %.

4. EXPECTED DEVELOPMENT IN THE FOLLOWING PERIOD

For 2025 the LSH Group expects to complete ongoing developments in Zagreb, Velika Gorica and Zdencina and continue work on acquisition of additional new projects for upcoming years. In parallel, permitting and preparatory works shall be finalized on current land bank projects.

Goal is to exceed in 2025 total leasable area of completed and in preparation land bank projects of 500 000 sqm.

5. SUBSEQUENT EVENTS

On 5 March 2025 the Company issued bonds under ISIN: SK4000026951 - LogSymHol/ZERO CPN BD 20271201 with following characteristics:

EUR	
ISIN	SK4000026951
Abbreviation	LogSymHol/ZERO CPN BD 20271201
Currency of denomination	EUR
Nominal value [EUR]	10,000.00
Interest rate [%]	0.0000
Issuance date	05.03.2025
First trading day	05.03.2025
Maturity date	01.12.2027
Currency of trading	EUR

Based on external bank financing agreements of individual with the relevant banking entities, the equity of the subsidiary is supposed to be positive. Log Sympatia Holding a.s. therefore paid other capital funds contribution to Expert One d.o.o. in the amount of EUR 1,500 thousand on 3 January 2025. Other capital fund contribution was also paid to LOG ONE d.o.o. in April 2025 in the amount of EUR 1,800 thousand. Both capital funds contributions were recognized to the companies on the basis of general meetings held in December 2024.

There were no other significant subsequent events after the balance sheet date with any impact on this consolidated annual financial report.

6. INFORMATION ON ACTIVITIES IN THE FIELD OF RESEARCH AND DEVELOPMENT

In the field of research and development, the LSH Group does not perform any activities.

7. INFORMATION ON THE ACQUISITION OF OWN SHARES

The Company or individual companies within LSH Group has not acquired any own shares.

8. INFORMATION ON ACTIVITIES IN THE FIELD OF ENVIRONMENTAL PROTECTION AND LABOUR-LEGAL RELATIONS

In its activities, the LSH Group and its individual companies complies with relevant legal regulations concerning environmental protection.

The LSH Group has no employees.

9. INFORMATION ON WHETHER THE COMPANY HAS AN ORGANIZATIONAL UNIT ABROAD

The Company or individual companies within LSH Group has no organizational unit abroad.

10. INFORMATION REQUIRED UNDER SPECIAL REGULATION

Based on Slovak Act No. 429/2002, Coll. on the Stock Exchange, as amended we disclose following information:

- The Company has no external bank loan or any loans received from non-financial institutions.
- The company issued 100 of its own shares with a nominal value of CZK 20,000 until 4 November 2019.
- The Company's ordinary shares are issued in certified paper form.
- On 06/06/2023, the Company issued discounted bonds (LSH I. EUR 7.0% 12/27, ISIN: SK4000023255) with an issue rate of 73%-90% and a nominal value of EUR 1,000 in the number of 582 units, maturing on 01/12/2027.
- On 06.06.2023, the Company issued discounted bonds (LSH II. EUR 8.0% 12/27, ISIN: SK4000023248) with an issue rate of 70%-89% and a nominal value of EUR 100 000 in 2 units, maturing on 01.12.2027.
- On 06.06.2023, the Company issued discounted bonds (LSH III. EUR 9.0% 12/27, ISIN: SK4000023735) with an issue rate of 69%-88% and a nominal value of EUR 100 000 in the number of 38 units, with maturity on 01.12.2027.
- On 28.11.2024, the Company issued discounted bonds (LSH IV. EUR 9.5% 4/27, ISIN: SK4000023735) with an issue rate of 81% and a nominal value of EUR 10 000 in the number of 3 468units, with maturity on 01.4.2027.
- The entity responsible for record keeping: the Central Securities Depository of the Slovak Republic, a.s., with its registered office at ul. 31 338 976, registered in the Commercial Register of the Municipal Court of Bratislava III, Section Sa.
- The Company or the LSH Group did not issued the bonds, to which is attached the right to call for the issue of shares at the time specified therein and the procedures for exchanging them for shares.

11. GOING CONCERN

The consolidated annual financial report for the year ended 31 December 2024 have been prepared assuming that the Company will continue to operate as a going concern.

12. CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024 AND AUDITOR´S REPORT

The consolidated financial statements are attached on page no. 19.

The consolidated financial statements were audited by BDO Audit s.r.o. The auditor's report follows and is an integral part of this consolidated annual financial report.

13. SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024 AND AUDITOR´S REPORT

The separate financial statements are attached on page no. 79.

The separate financial statements were audited by BDO Audit s.r.o. The auditor's report follows and is an integral part of this consolidated annual financial report.

14. REPORT ON RELATIONS

The report on relations with related parties follows and is an integral part of this consolidated annual financial report.

15. STATUTORY DECLARATION OF PERSONS RESPONSIBLE FOR THE CONSOLIDATED ANNUAL FINANCIAL REPORT OF LOG SYMPATIA HOLDING A.S.

We declare that, to the best of our knowledge, the consolidated annual financial report for the year ended 31 December 2024 gives a true and fair view of the assets, liabilities, financial position and results of operations of the Company and the Group. The report also includes a description of significant events that occurred during the financial year 2024, and their impact on the financial statements, and a description of the principal risks and uncertainties for the following period, as well as a description of related party transactions that materially affect the issuer's results of operations, and provides a fair review of such required information.

This consolidated annual financial report has been prepared and approved for issue on 30 April 2025.

Brno, 30. 4. 2025

....	....
Branislav Habán	Adrian Stanisav
Chairman of the Board of Directors	Member of the Board of Directors
Log Sympatia Holding a.s.	Log Sympatia Holding a.s.

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024 AND AUDITOR´S REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of EUR	**Notes**	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Revenues	9	13 299	8 545
Cost of revenues	9	-5 075	-2 506
Gross profit		**8 224**	**6 039**
General and administrative expenses	9	-962	-677
Depreciation and amortization	13	-21	-10
Other income/expense		560	635
Net valuation result on investment property	12	34 391	-3 080
Profit from operations		**42 192**	**2 907**
Interest income	16	16	1
Interest expense	20, 22	-7 087	-5 766
Financial income	9, 21	442	243
Financial expense	9	-266	-383
Foreign exchange profit/loss		-14	9
Profit before tax		**35 283**	**-2 989**
Income taxes	11	-7 151	76
PROFIT FOR THE PERIOD		**28 132**	**-2 913**
OTHER COMPREHENSIVE INCOME			
Foreign currency translation differences net of tax	25	0	-1
OTHER COMPREHENSIVE INCOME, NET OF TAX		0	-1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**28 132**	**-2 914**

The accompanying notes on pages 25-69 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

In thousands of EUR	Notes	31 December 2024	31 December 2023	1 January 2023
ASSETS				
NON-CURRENT ASSETS				
Investment property	12	256 000	134 700	76 300
Investment property under development	12	56 512	53 608	69 500
Property, plant and equipment	13	248	23	31
Trade and other receivables	16	575	385	909
Derivative financial assets	21	328	243	0
Deferred tax	11	36	15	21
TOTAL NON-CURRENT ASSETS		**313 699**	**188 974**	**146 761**
CURRENT ASSETS				
Trade and other receivables	16	1 063	1 066	2 047
Prepayments and other current assets	17	3 467	3 614	2 558
Loan issued		50	51	49
Income tax receivable	11, 16	1 412	384	1 547
Derivative financial assets	21	357	0	0
Cash and cash equivalents	15	5 215	3 370	6 387
TOTAL CURRENT ASSETS		**11 564**	**8 485**	**12 588**
TOTAL ASSETS		**325 263**	**197 459**	**159 349**

The accompanying notes on pages 25-69 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (continued)

In thousands of EUR	Notes	31 December 2024	31 December 2023	1 January 2023
EQUITY				
Share capital	25	83	83	83
Capital contribution	25	36 300	36 300	36 300
Translation reserve	25	-2	-2	-1
Retained earnings	25	29 208	1 076	3 989
TOTAL EQUITY		**65 589**	**37 457**	**40 371**
NON-CURRENT LIABILITIES				
Trade and other payables	18	1 077	57	0
Prepayments and other non-current liabilities	18	5 410	4 013	2 318
Borrowings	20	153 084	89 383	63 339
Bonds	22	38 574	17 306	30 173
Loans recieved	26	15 737	7 511	11
Deferred tax liability	11	16 739	9 610	9 700
TOTAL NON-CURRENT LIABILITIES		**230 621**	**127 880**	**105 541**
CURRENT LIABILITIES				
Trade and other payables	18	10 962	6 173	2 927
Prepayments and other current liabilities	18	8 722	476	71
Borrowings	20	4 901	3 191	1 222
Bonds	22	4 043	21 892	7 855
Loans recieved	26	0	135	0
Income tax liability		425	255	1 362
TOTAL CURRENT LIABILITIES		**29 053**	**32 122**	**13 437**
TOTAL LIABILITIES AND EQUITY		**325 263**	**197 459**	**159 349**

The accompanying notes on pages 25-69 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of CZK	Share capital	Capital contribution	Translation reserve	Retained earnings	Total equity
Balance at 1 January 2023	**83**	**36 300**	**-1**	**3 989**	**40 371**
Net profit for period				-2 913	-2 913
Foreign currency translation			-1		-1
Balance at 31 December 2023	**83**	**36 300**	**-2**	**1 076**	**37 457**
Net profit for period				28 132	28 132
Foreign currency translation			0		0
Balance at 31 December 2024	**83**	**36 300**	**-2**	**29 208**	**65 589**

The accompanying notes on pages 25-69 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of EUR	**Note**	Year ended 31 December 2024	**Year ended 31 December 2023**
Cash flows from operating activities			
Profit for the year		**28 132**	**-2 913**
Adjustments for:			
Amortization and depreciation	13	21	10
Net valuation result on investment property	12	-34 391	3 080
Finance income	9	-442	-252
Finance expense	9	280	383
Income tax expense	10	7 151	-76
Other non-cash operations	21	486	115
Operating profit before changes in working capital		**1 237**	**347**
Decrease/(increase) in trade and other receivables	16	-1 088	1 599
Derivative financial assets	21	-442	-243
Increase/(decrease) in trade and other payables	18	22 751	4 206
Changes in net working capital		**21 221**	**5 562**
Net cash flows from operating activities		**22 458**	**5 909**
Investing activities			
Acquisition of investment property	12	-89 658	-45 743
Acquisition of property, plant and equipment	13	-246	-2
Interest received	26	16	1
Net cash used in investing activities		**-89 888**	**-45 744**
Financing activities			
Proceeds from loans and borrowings	20	90 937	46 617
Repayment of borrowings	20	-10 837	-1 222
Interest paid on loans and borrowings	9, 20, 26	-14 244	-9 747
Proceeds from bonds	22	39 994	10 117
Repayment of bonds	22	-34 183	-7 449
Interest paid on bonds	9, 22	-2 392	-1 498
Net cash (used in)/from financing activities		**69 275**	**36 818**
Net increase in cash and cash equivalents		1 845	-3 017
Cash and cash equivalents at beginning of year		3 370	6 387
Cash and cash equivalents at end of year		**5 215**	**3 370**

The accompanying notes on pages 25-69 form an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Content

1. GENERAL INFORMATION

The Business of the Company

The principal activities of Log Sympatia Holding a.s. (“the Company”) and its subsidiary companies (“the Group”) and the nature of the Group’s operations are investments in industrial property in Central and Eastern Europe. In terms of human resources, the Group is serviced by service subsidiaries related to Group ultimate beneficial owners. Financing activities are carried out by the Company and subsidiaries related to Group ultimate beneficial owners. For each property development project, a special fully owned subsidiary is incorporated. All such subsidiaries are part of consolidation within the Group.
The Group operates in real estate area within the EU – specifically Croatia,Slovenia and Czech Republic. LSH Group build the administrative buildings, warehouses, logistics centers and other types of buildings for its future long-term rent.

Company structure and identification

Log Sympatia Holding a.s. is a joint-stock company incorporated and registered in the Czech Republic with a registered address at Příkop 843/4, Zábrdovice, 602 00 Brno, Czech Republic. The Company was formed on 04 November 2019.

Shareholders

The Company shareholders as of 31 December 2024 and 31 December 2023 and 1 January 2023 were as follows:

Interest in ultimate parent share capital Shareholder	31 Dec 2024	31 Dec 2023	1 January 2023
Log Expert Development SRL (Romania)	50,00%	50,00%	50,00%
Sympatia Projects, s.r.o. (Slovakia)	40,00%	40,00%	40,00%
MB Cons Solutions SRL (Romania)	10,00%	10,00%	10,00%

The company´s shareholders stated above act jointly and severally. As there is a joint and several acting between the shareholders, the Company classifies as the ultimate parent company of the shareholder the one with the highest percentage of the Company's share capital.

The Statutory body

The statutory body of the company is represented by the Board of Directors. The Board of directors is composed by two members:

- Ing. Branislav Habán
- Adrian Stanisav.

Both members of the Board of Directors act jointly on behalf of the company.

The Supervisory body and The audit committee

The Supervisory body of the company is represented by:

- Ing. Marek Laššák
- Bogdan Martin
- Member no. 3.

Number of the members of the Supervisory body is 3. As at 31 December 2024 the Supervisory body has only two members.

The Audit committee is represented:

- Oana Alexandra Gaspar
- Michal Baňas
- Irenej Denkocy.

Number of the members of the Audit committee is 3. As at 31 December 2024 the Audit committee has three members.

Share capital

The Company issued 100 registered shares in certified form with a nominal value of 20 000CZK per one share. The total amount of share capital is 2 000 000 CZK and is fully paid.

There has been no change in the number of equity shares issued during the period.

The Company has not acquired any own shares during the reporting period.

The Company prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Standards) as adopted by EU, which are available at the registered address.

The Company held following subsidiaries, directly or indirectly:

	Ownership	County/Currency	Ownership as at 31 Dec 2024	Ownership as at 31 Dec 2023	Ownership as at 1 Jan 2023
Log Expert One d.o.o.	Direct	Croatia/EUR	100%	100%	100%
Log Expert Two d.o.o.	Direct	Croatia/EUR	100%	100%	100%
Log Expert Three d.o.o.	Direct	Croatia/EUR	100%	100%	100%
Log Expert Four d.o.o.	Direct	Croatia/EUR	100%	100%	100%
Log Expert Seven d.o.o.	Direct	Croatia/EUR	100%	100%	N/A
Log Expert Eight d.o.o.	Direct	Croatia/EUR	100%	100%	N/A
Log Expert Ten d.o.o.	Direct	Croatia/EUR	100%	N/A	N/A
Log One d.o.o.	Direct	Slovenia/EUR	100%	100%	100%
Log Two d.o.o.	Direct	Slovenia/EUR	100%	100%	100%

On August 31, 2024, the Group acquired a 100% interest in the company Log Expert Ten d.o.o.

Parent entity

The parent entity that prepares the consolidated financial statements is Log Sympatia Holding a.s. The Group includes the Company and all the subsidiaries stated in table above.

Information on independent auditor

The Consolidated financial statements of the Log Sympatia Holding a.s. were audited by an independent auditor BDO Audit s.r.o.

2. GOING CONCERN

As at the date of signing consolidated financial statements management does not consider that there are any facts or circumstances, which would indicate a threat to the continuation of the Group activity in a period of at least 12 months as result of the intentional or involuntary omissions or a significant reduction in its current activities, therefore the report has been prepared on a going concern basis.
The going concern principle is a key basis of preparation of the consolidated financial statements.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by the European Union for the first time for the period ended 31 December 2024.

The consolidated financial statements have been prepared on a going concern basis and in accordance with the historical cost method, except for financial assets and liabilities measured at fair value.

The consolidated financial statements include the consolidated statement of the financial position, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and explanatory notes. The separate financial statements cover the year ended 31 December 2024 and contain comparatives for the year ended 31 December 2023. The statement of the financial position and related notes presents also balance as at 1 January 2023 that is the transition date to IFRSs.

The consolidated financial statements are presented in Euro ("EUR"), and all values, unless stated otherwise, are presented in EUR thousand.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires that management exercises its judgement in the process of applying the Group's accounting policies. The areas might involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

3.2 FUNCTIONAL AND PRESENTATION CURRENCY

In accordance with the International Financial Reporting Standards (IFRS), LSH Group has decided to adopt the Euro (EUR) as its presentation currency. This decision reflects the commitment to aligning our financial reporting with international standards and enhancing the transparency and comparability of our financial statements. The adoption of Euro streamlines Group´s financial processes and support strategic objectives in the European market.

The Company has a functional currency CZK, the presentation currency is EUR. The subsidiaries have EUR as a functional currency and presentation currency.

3.3 FOREIGN CURRENCY TRANSLATION

Foreign currency transactions for the Company that has different functional and presentation currency are translated into the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities expressed as at the reporting date in foreign currencies are translated using the exchange rate announced by the Czech National Bank for the end of the reporting period, and all foreign exchange gains or losses are recognized translation reserve.

Non-monetary assets and liabilities carried at historical cost expressed in a foreign currency are stated at the historical exchange rate as at the date of the transaction. Non-monetary assets and liabilities carried at fair value expressed in a foreign currency are translated at the exchange rate as at the date on which they were remeasured to the fair value.

Foreign exchange gains and losses recognized in profit or loss are offset.

4. BASIS OF CONSOLIDATION

The Consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Intra-group transactions, including sales, profits, receivables and payables, have been eliminated on consolidation. All subsidiaries use uniform accounting policies.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Inter-company balances, and any gains and losses or income and expenses arising from intra-Group transactions, are eliminated in the Financial statements of the Group.

Consolidation methods

The assets and liabilities of the companies included in the Financial Statements are recognized in accordance with the uniform accounting policies used within the Group. In the case of companies accounted for using the equity method, the same accounting policies are applied to determine the proportionate equity, based on the most recent audited annual financial statements of each company.

In the case of subsidiaries consolidated for the first time, assets and liabilities are measured at their fair value at the date of acquisition. Their carrying amounts are adjusted in subsequent years. Goodwill arises when the purchase price of the investment exceeds the fair value of identifiable net assets. Goodwill is tested for impairment once a year to determine whether its carrying amount is recoverable. If the carrying amount of goodwill is higher than the recoverable amount, an impairment loss must be recognized. If this is not the case, there is no change in the carrying amount of goodwill compared with the previous year. If the purchase price of the investment is less than the identifiable net assets, the difference is recognized in the income statement in the year of acquisition. Goodwill is accounted for at the subsidiaries in the functional currency of those subsidiaries. Any difference that arises from the acquisition of additional shares of an already consolidated subsidiary is taken directly to equity. Unless otherwise stated, the proportionate equity directly attributable to noncontrolling interests is determined at the acquisition date as the share of the fair value of the assets (excluding goodwill) and liabilities attributable to them. Contingent consideration is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration do not generally result in the adjustment of the acquisition-date measurement. Acquisition-related costs that are not equity transaction costs are not added to the purchase price, but instead recognized as expenses in the period in which they are incurred.

The consolidation process involves adjusting the items in the separate financial statements of the parent and its subsidiaries and presenting them as if they were those of a single economic entity. Intragroup assets, liabilities, equity, income, expenses and cash flows are eliminated in full. Intercompany profits or losses are eliminated in Group inventories and noncurrent assets. Deferred taxes are recognized for consolidation adjustments, and deferred tax assets and liabilities are offset where taxes are levied by the same tax authority and have the same maturity.

5. FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL ACCOUNTING STANDARDS

The Group has prepared its consolidated financial statements for the year ended 31 December 2024 for the first time in accordance with IFRS accounting standards. For the period up to and including the year ending 31 December 2023, the Company did not prepare consolidated financial statements.

In preparing consolidated financial statements, the Group's opening financial position was prepared as at 1 January 2023, which is the date of the Group's transition to IFRS accounting standards.

5.1 EXCEPTIONS TO RETROSPECTIVE APPLICATION

Except for certain mandatory exemptions and optional exemptions, IFRS 1 requires retrospective application of the version of the standards and interpretations effective at 31 December 2024 in preparing the opening financial position as at 1 January 2023 and throughout the period presented in the Group's first financial statements prepared in accordance with IFRS accounting standards.

In preparing these financial statements, the Group has applied the mandatory exemptions from retrospective application of other IFRS and has elected to apply certain optional exemptions. The relevant exemptions are described below.

Mandatory exceptions

Classification and valuation of financial instruments

The Group assesses whether its financial assets qualify for amortized cost measurement based on the facts and circumstances existing at the date of transition to IFRS accounting standards. Where retrospective application of the effective interest method is impractical for the Group, the fair value of financial assets or financial liabilities at the date of transition to IFRSs is the new gross carrying amount of those financial assets or the new amortized cost of those financial liabilities at the date of transition to IFRSs. Therefore, for cash and cash equivalents, trade and other receivables, loans to related parties and trade and other financial liabilities, their carrying amounts are considered to reasonably approximate their fair values. For loans, their fair values are insignificantly different from their carrying amounts because the variable interest payable on these loans is either close to current market rates or the loans are short-term in nature.

Estimates

The estimates as at 1 January 2023 and 31 December 2023 are consistent with estimates made for the same dates in accordance with Czech accounting regulations (after adjustments for differences in accounting policies).

Optional exceptions

Cumulative difference from foreign currency translation

The Group reports a currency translation reserve to -1 ths. EUR as of January 1, 2023. This amount of translation reserve is based on foreign currency translation made at the level of foreign exchange rate disclosed by Czech National Bank as at 1 January 2023.

Determination of whether a contract contains a lease

The Group assessed all contracts in existence as of January 1, 2023 to determine whether the contract contains a lease based on the facts and circumstances existing as of January 1, 2023. The Group assessment is that none of the existing contracts contains a lease.

5.2 EXPLANATORY INFORMATION FOR FIRT-TIME ADOPTION OF INTERNATIONAL FINANCIAL ACCOUNTING STANDARDS

Under law of Czech Republic, the Company was not required to prepare its consolidated financial statements in 2023, so there are no comparative information for which reconciliation statements could be prepared.

The consolidated financial statement combines the financial information of the parent company and its subsidiaries, presenting them as a single economic entity. Investments in subsidiaries are replaced by the subsidiaries' assets and liabilities (net assets) in the consolidated statement and all intercompany transactions and balances ale eliminated to avoid double counting.

LSH Group is a real estate group, the fundamental difference refers to presentation of investment property (completed or under constructions) as at their fair value based on IAS 40 – Investment Property instead of its amortized cost as is required under Czech law. Under IAS 40 – Investment Property, the revaluation at fair value is applied instead of standard accounting for depreciation of individual asset components through expenses for its estimated useful lifetime. This fair value revaluation can be either positive or negative. Due to this valuation approach, impairment testing of assets is no longer performed.

Another significant difference is the application of IFRS 9 – Financial Instruments in its entirety in particular with regard to the valuation of individual items of financial assets and financial liabilities and the application of the three-stage expected credit loss model.

5.3 RECONCILIATION OF STATEMENTS

Reconciliation of consolidated profit/loss:

Based on local GAAP, the Company has not had an obligation to prepare consolidated financial statements. There are no comparative figures to reconcile.

The key differences between the Czech accounting principles and IFRS are primarily in the separate allocation of the effect to the revaluation of investment property and the application of the principles of IFRS 9 - compound and effective interest, or the recognition of non-current items at their present value and expected credit losses over their useful lives, as described above in section 5.2.

Reconciliation of consolidated equity:

Based on local GAAP, the company has not had an obligation to prepare consolidated financial statements. There are no comparative figures to reconcile.

Reconciliation of consolidated cash flows:

The changes between cash and cash equivalents under Czech accounting standards and IFRS do not refer to any material differences.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 INVESTMENT PROPERTIES

Investment property - completed projects

Completed properties are initially measured at cost (including transaction costs). After initial recognition, investment property is carried at fair value. An external independent valuation expert with recognized professional qualifications and experience in the location and category of the property being valued, values the portfolio at least annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognized in the consolidated income statement.

Property under construction

Property that is being constructed or developed is also stated at fair value. The properties under construction are also valued by an external independent valuation expert using the same valuation methodology as used for the valuations of the completed projects but deducting the remaining construction costs from the calculated market value of the respective projects.

Any gain or loss arising from a change in fair value is recognized in the consolidated income statement.

All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure qualifying as acquisition costs are capitalized.

Development land

Land of which the Group has the full ownership i.e. registered in the respective land registry as owned by the Group and on which the Group intends to start construction (so called "development land") is immediately valued at fair value. The development land is valued by an external independent valuation expert using the valuation sales comparative approach.

Any gain or loss arising from a change in fair value is recognized in the consolidated income statement.

All costs directly associated with the purchase of the development land are capitalized.

Land which is not yet in full ownership but which is secured by a future purchase agreement or purchase option is not recognized as investment property until the Group has become full owner of this land.

The Group will be required to make from time to time down payments when entering into such future purchase agreements or purchase options. The down payments of the land will be recorded as other receivables unless such amounts are immaterial, in which case the Board of Directors may elect to

classify such amounts under investment properties.

Infrastructure works are not included in the fair value of the development land but are recognized as investment property and valued at cost.

In case the Board of Directors is of the opinion that the fair value of the development land cannot be reliable determined the Board may elect to value the development land at cost less impairment loss until the fair value becomes reliably determinable.

6.2 PROPERTY PLANT AND EQUIPMENT

Properties reported within IAS 16 property plant and equipment are administrative buildings, warehouses and other logistics buildings. Moreover, separately acquired plots of lands, buildings and brownfields with no specific use are also classified within property plant and equipment. All buildings, property, plant and equipment are reported within the cost model and are measured at cost less accumulated depreciation and impairment losses (Note 6.7). Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The present value of the expected cost for the restoration of rented premises after the end of their use is included in the cost of construction if the recognition criteria for a provision are met. Refer to the accounting policy on Provisions for further information about the recorded restoration provision.

Ordinary repairs and maintenance costs are charged to the income statement in the accounting period during which they are incurred.

Depreciation is recorded on a straight-line basis over the estimated useful life of an asset as follows:

Asset	Useful life
Buildings	Thirty years
Motor vehicles	Six years
Furniture	Six years
Office Machinery	Four years

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Items of property, plant and equipment with useful lives of less than one year and with a cost not exceeding CZK 80 thousand are directly expensed.

6.3 LEASES

6.3.1 As a lessee

At the start of the lease period, the leases (except for leases with a maximum term of twelve months and leases whose underlying assets are of low value) are recognized on the balance sheet as rights of use and lease liabilities at the present value of the future lease payments. Next, all rights of use that qualify as investment properties are valuated at fair value, in accordance with the valuation rules detailed under Investment properties. The minimum lease payments are recognized in part as financing costs and in part as settlement of the outstanding liability, in a manner resulting in a constant periodic interest rate on the remaining balance of the liability. The cost of financing is offset directly against the result. Conditional lease payments are incorporated as costs in the periods in which they were made.

No such contracts exists within the LSH Group.

6.3.2 As a lessor

When the Group acts as a lessor, they determine at lease inception whether each lease is a finance lease or an operating lease. So far, all existing leases have been determined to be operating leases. At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of rental income under the title "Industrial leasing". Properties leased out under operating leases are classified as investment property and stated at fair value.

Group company is the lessor – fees paid in connection with arranging leases and lease incentives are recognized within the Group on a one-off basis in the relevant items of income statement.

The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. The letting fees are capitalized within the carrying amount of the related investment property and amortized over the lease term. Lease incentives are recognized as a reduction of rental income on a straight-line basis over the lease term.

6.4 FINANCIAL ASSETS AT AMORTIZED COST

Financial assets at amortized cost include trade receivables, other receivables and cash and cash equivalents and represent non-derivative financial instruments which are held within a business model with the purpose to receive contractual cashflows (held to collect) and the contractual terms of the financial asset give rise to cashflows at fixed dates which represent solely payments of principal and interest (SPPI).

Such financial assets are stated at amortized cost with any difference between cost and redemption value being recognized in the consolidated income statement over the period of the financial assets on an effective interest basis.

Trade receivables

Trade receivables do not carry any interest and are stated at amortized cost as reduced by appropriate bad debt allowances. Such allowances are based on the expected credit losses, calculated in accordance with IFRS 9. The group has not developed a provision matrix based on historical credit loss experience as historical credit losses are insignificant. In case there has been a significant increase in credit risk since initial recognition, the Group recognizes lifetime expected credit losses. This is the case when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the default risk has significantly increased. An impairment loss is recognized in the statement of income, as are subsequent recoveries of previous impairments.

Other financial assets

Other financial assets at amortized cost include mainly loan to related parties. These financial assets are accounted for at amortized cost and the Group recognizes a loss allowance for expected credit losses in accordance with IFRS 9. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Such cash balances are only held with banks with high credit ratings, as such expected credit losses are not deemed significant. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated cash-flow statement.

6.5 PREPAYMENT AND OTHER CURRENT ASSETS

The Group records pre-paid expenses, accrued revenues and estimated revenues in order to ensure that revenues and incomes are allocated to the correct accounting period. Expenses relating to future reporting periods are deferred as prepayments. Other current assets consist of assets that are either owed to the group within one year or likely to be used within one year.

6.6 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivatives to hedge against potential risks. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument or instrument held for trading. The Group designates as hedging instruments only those which fulfil the requirements of hedge accounting.

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. The gain or loss on re-measurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for hedges of a net investment in a foreign operation.

6.7 IMPAIRMENT OF OTHER NON-FINANCIAL ASSETS

The carrying amounts of the Group's assets, other than investment property, investment property under development and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In respect of goodwill, the recoverable amount is estimated at each reporting date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognized in profit or loss. An impairment loss in respect of a Property, plant and equipment measured at fair value is reversed through profit and loss to the extent that it reverses an impairment loss on the same asset that was previously recognized in profit and loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (groups of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

6.8 SHORT-TERM AND LONG-TERM DEPOSITS AND SIMILAR INSTRUMENTS

The Group considers all highly liquid investments with original maturity dates of greater than three months and maturing in less than one year to be short-term deposits. Deposits with a maturity date of greater than one year from the balance sheet date are classified as long-term.

6.9 GOVERNMENT GRANTS

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as a deduction from related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as a reduction of such assets in the period when there is a reasonable assurance that the grant will be received.

6.10 PROVISIONS

Provisions are recognized when the Group 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 can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

6.11 FINANCIAL LIABILITIES AT AMORTIZED COSTS

Financial liabilities are classified and measured at initial recognition as financial liabilities at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

Any gain or loss on derecognition is also recognized in profit or loss.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

The Group’s financial liabilities include trade and other payables, loans and borrowings.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (“EIR”) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Trade and other payables

Trade payables are recognized at their nominal value which is deemed to be materially the same as the fair value and divided to two groups: settled short-term and long-term.

6.12 EQUITY

Issued capital

Issued capital represents the amount of capital registered in the Shareholders Register and is classified as equity. External costs directly attributable to the issuance of share capital, other than upon a business combination, are shown as a deduction from the proceeds, net of tax, in equity.

Reserves

Consolidated reserves include Capital contribution, which represent contribution outside the registered capital.

The Group also recognizes reserve for translations from separate financial statements of Log Sympatia Holding a.s.

Retained earnings

Consolidated retained earnings arises from accumulation of profits and losses of the consolidated activities and are subject of dividend distribution.

6.13 LEGAL SETTLEMENT AND OTHER CONTINGENCIES

Determining the amount to be accrued for legal settlements requires the directors to estimate the committed future legal and settlement fees the Group is expecting to incur, either where suits are filed against the Group for infringement of patents, or where the Group may be required to indemnify a licensee. The directors assess the extent of any potential infringement based on legal advice and written opinions received from external counsel and then estimate the level of accrual required.

6.14 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group divides financial liabilities into current and non-current according to its maturity. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

6.15 REVENUE

Revenue includes rental income, renewable energy income, property and facility management income and service charge income.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Renewable energy income

Renewable energy income includes multiple streams, such as sale of energy, leasing of installations and government grants. The accounting treatment for solar revenue depends on the specific contractual terms of the agreement between Group company and its customers (e.g. tenants or green energy suppliers). If Group company has entered into a power purchase agreement (PPA) with its customers, revenue recognition is based on the delivery of electricity. Group company recognizes revenue when electricity is delivered, based on the contractual price per kilowatt-hour (kWh). The revenue recognized is based on the amount of electricity delivered, and any adjustments to the contract price or revenue recognition will be made based on the terms of the PPA.

If Group company has entered into a leasing agreement with its customers, i.e. renting out the solar equipment, the revenue recognition is based on the lease payments due under the lease agreement. Group company recognizes revenue based on the lease payments due over the term of the lease agreement, and any adjustments to the lease payments or revenue recognition will be made based on the terms of the lease agreement.

Government grants are recognized the year the government grant applies to.

Service charge income

The service charge is contracted based on market prices relevant for the region of operation. The service charge income is recognized evenly over time of the service rendered as the customer simultaneously receives and consumes the benefits from the provided service. Service and management charges are included in net rental income gross of the related costs. The Group determined that it does control the services before they are transferred to tenants and therefore that the Group acts rather as a principal in these arrangements.

6.16 TAXES

Current income tax

Current income tax assets and liabilities for an accounting period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and adequately adjusts them where appropriate.

Deferred tax

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax is calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is likely to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

6.17 FOREIGN CURRENCY TRANSACTIONS

Functional and presentation currency

The functional currency of each Group entity is the currency of the primary economic environment in which that entity operates. For the Company the functional currency is CZK, for the Subsidiaries the functional currency is EUR.

The Financial Statements are presented in euros, which is the presentation and functional currency of the Group.

Transactions and balances

Transactions denominated in foreign currencies have been translated into the functional currency of each Company entity at daily rates of exchange. Monetary assets and liabilities denominated in foreign currencies have been translated at closing rates of exchange at the balance sheet date. Exchange differences have been included in financial income and expenses.

Group companies

The results and financial positions of all Group entities (none of which has the currency of a hyper-inflationary economy) which are not in euros are translated into euros as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rates of exchange at the balance sheet date;
- income and expenses for each income statement presented are translated at daily exchange rates of transactions; and
- all resulting exchange differences are recognized as a separate component of equity, being taken through other comprehensive income via the cumulative translation adjustment.

When a foreign operation is partially disposed of or sold, exchange differences that were recognized through other comprehensive income are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates of exchange.

6.18 SEGMENT INFORMATION

The Board of Directors of the Group, as the chief decision maker, does not use segment results of the Group, neither in the decision-making process nor in the allocation of resources and assessment of the performance.

7. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Consolidated Financial Statements in accordance with IFRS requires the directors to make critical accounting estimates and judgments that affect the amounts reported in the Financial Statements and accompanying notes. These estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The preparation of the Financial Statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the Financial Statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Consolidated Financial Statements.

Estimates and assumptions related to fair value

Fair value is the price at which an asset could be sold or a liability transferred in an orderly transaction between market participants at the measurement date. The Group classifies fair values using the following hierarchy that reflects the significance of the inputs used in the measurement:

Level 1: fair value measurements using quoted market prices (unadjusted) in active markets for identical assets or liabilities to which the entity has access.

Level 2: fair value measurements using methods for which significant inputs are derived directly or indirectly from observable information in active markets for similar assets or liabilities.

Level 3: fair value measurements using methods for which significant inputs are not based on observable information in active markets.

The Group measures a number of items at fair value:

Investment property - completed projects (Level 3 measurements). The Company uses external valuation firms to determine fair value and fully adopts the valuation in its consolidated financial statements. The valuation method is based on discounted cash flows that refers to rental contract with clients;

Investment property under development - land, projects under construction and newly commenced projects (Level 3 valuation). The Company uses external valuation companies to determine fair value, which value in-process and newly commenced projects on an “as if completed” basis using the discounted cash flow method. The following categories of projects are distinguished within investment property under construction:

- Land: this is purchased land for which a building permit is expected or has been administratively secured. Land at this stage of the project does not register any development. The land is valued on the basis of an expert's report from an external company and fully taken into the consolidated financial statements, i.e. any revaluation gain or loss is reflected in the financial statements at the date of acquisition of the land without further adjustments. The valuation of the land is determined using the DCF method (10 years).
- Buildings - are distinguished according to the stage of construction:
    - projects prior to completion - only an insignificant amount of work remains to be completed, or the associated expenditure on project completion is minimal with respect to the project budget, and final handover to the customer for long-term lease is in the order of low units of months. Such projects are valued in terms of completed investment properties according to external appraisals determined on the DCF method based on specific lease agreements without further adjustments.
    - projects under construction - projects under construction are valued in the consolidated financial statements based on a combination of land valuation and completed construction valuation according to the current stage of completion. The value of the projects under construction allocates project profit, land profit and construction profit on a pro rata basis. The valuation is based on the agreed cost budget of the financing entity and the CBRE reports are used as a basis for determining the valuation base, which provide information on the actual costs incurred and their comparison with the agreed budget.;

Derivative financial instruments (Level 2 valuation).

Estimates and assumptions, including uncertainty over income tax treatments

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognizes tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognized when, despite the group's belief that its tax return positions are supportable, the group believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The group believes that its accruals for tax liabilities are adequate for all open tax inspection years based on its assessment of many factors including past experience and interpretations of tax law.

No material uncertain tax positions exist as at 31 December 2024 nor as at 31 December 2023. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

8. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

8.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED FROM 1 JANUARY 2024

For annual reporting periods beginning on or after 1 January 2024, the following are newly effective requirements:

- Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
- Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)
- Non-current Liabilities with Covenants (Amendment to IAS 1)

These amendments had no effect on the consolidated financial statements of the Company.

Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments).

The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)

The IASB issued the final amendments in September 2022.

The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022.

The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

Non-current Liabilities with Covenants (Amendment to IAS 1)

Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022.

If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period.

The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

8.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The summary below lists all pronouncements with a mandatory effective date in future accounting periods:

- Lack of Exchangeability (Amendment to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards Lack of Exchangeability (Amendment to IAS 21)
- Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements) (Amendments to IFRS 9 and IFRS 7)
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Company is currently assessing the effect of these new accounting standards and amendments.

Lack of Exchangeability (Amendment to IAS 21)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and measurement requirements of IFRS 9 Financial Instruments, in May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7:

Derecognition of financial liabilities

- Derecognition of financial liabilities settled through electronic transfers.

Classification of financial assets

- Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – ‘SPPI test’)
- Contractual terms that change the timing or amount of contractual cash flows
- Financial assets with non-recourse features
- Investments in contractually linked instruments.

Disclosures

- Investments in equity instruments designated at fair value through other comprehensive income
- Contractual terms that could change the timing or amount of contractual cash flows.

The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.

9. INCOME STATEMENT DISCLOSURES

Revenues

In thousands of EUR	**31 December 2024**	**31 December 2023**
Rental income	10 248	6 289
Revenue from customers contracts		
Revenue ASTI	62	58
Renewable energy income	468	347
Service charges and utilities	2 519	1 752
Other	2	99
Total	**13 299**	**8 545**

Revenue from rental income includes income from lease agreements related to investment property.

Revenues from customers contracts represent services provided to tenants.

Revenue from service charges and utilities represents income from services provided to tenants, such as utilities, cleaning, or property management.

ASTI revenue includes income from customization and technical adjustments of building layouts based on tenant requirements. These services are considered separate performance obligations under and revenue is recognized over time as the services are rendered or as one off fee based on the contract with the customer.

Renewable energy income includes revenue from the sale of electricity generated by solar plants.

In thousands of EUR	**31 December 2024**	**31 December 2023**
Geographic Markets		
Croatia	10 014	6 767
Slovenia	3 285	1 778
Contract counterparties		
Manufacturing	3 285	1 778
Logistics	10 014	6 767
	13 299	**8 545**

Property operating expenses

In thousands of EUR	31 December 2024	31 December 2023
Energy and water consuption	300	416
Faciity management and Maintanance	1 231	809
Communal fee	821	597
Insurance	408	203
Consultancy	2 109	342
Other costs	206	155
Total	**5 075**	**2 506**

General and administrative expenses

In thousands of EUR	31 December 2024	31 December 2023
Legal, accounting, audit, tax	654	397
Other	277	171
Donations	31	109
Total	**962**	**677**

Other income/expense

In thousands of EUR	31 December 2024	31 December 2023
Other income	676	4 851
Other expenses	116	4 216
Other income/expense	**560**	**635**

Among other revenues are revenues from technical improvements invoiced to tenants after the completion of works, as well as other claims for compensation (e.g., insurance claims). Among other expenses are costs related to insurance events and other types of operational expenses. In 2023, these expenses and revenues were higher in connection with the completion of the Brnik project in Slovenia.

Finance income

In thousands of EUR	31 December 2024	31 December 2023
Interest income - loans provide to related parties	16	0
Other financial income – revaluation of IRS and other	442	243
Foreign exchange gains/loss		9
Total	458	252

Finance expense

In thousands of EUR	31 December 2024	31 December 2023

Interest expense - loans received from related parties	98	0
Interest expense – bonds issued	1 352	1 125
Interest expense - bank loans	5 639	4 642
Financing fees	100	236
Bank fees	157	144
Other financial expense	21	2
Total	7 367	6 149

10. INCOME TAX

Structure of the income tax for the year ended 31 December is as follows:

In thousands of EUR	**31 December 2024**	**31 December 2023**
Current income tax expense	**43**	**8**
… current income tax on profits for the year	*43*	*8*
… income tax on profits for the previous year	*0*	*0*
Deferred income tax expense	**7 108**	**-84**
… related to arising and reversing of temporary differences other than tax losses	*7 108*	*-84*
… related to tax losses	*0*	*0*
Total	**7 151**	**-76**

Reconciliation of effective income tax expense computed at the statutory rate and actual income tax expense incurred for the period ended 31 December is as follows:

In thousands of EUR	**31 December 2024**	**31 December 2023**
Accounting profit before income tax	35 283	-2 989
At statutory rate of 21 % / 19 %*	7 410	0
Utilization of tax loss	733	10
Permanent differences	-7 583	-19
Temporary differences	1	17
Creation of tax loss	7 108	-84
Income tax expense	**7 151**	**-76**
Effective tax rate	***-20%***	***-3%***

* 19 % is used for the year 2023; for the year 2024 there was a change local tax law.

11. DEFERRED TAX

The Group quantified deferred taxes as at 31 December as follows:

In thousands of EUR	31 December 2024		31 December 2023		1 January 2023	
Deferred tax items	**Deferred tax Asset**	**Deferred tax Liability**	**Deferred tax Asset**	**Deferred tax Liability**	**Deferred tax Asset**	**Deferred tax Liability**
Difference between net book value of fixed assets for accounting and tax purposes		-16 760		-9 628		-9 696
Other temporary differences:						
Bonds	36		15		0	
Tax losses	500		446		202	
ECL	21		18		17	
Other						
Total		**-16 203**		**-9 149**		**-9 477**
Valuation allowance	-500		-446		-202	
Deferred tax liability, net		**-16 703**		**-9 595**		**-9 679**
Thereof through PL		*-7 108*		*84*		
Thereof through OCI		*0*		*0*		

The Group can carry forward tax losses generated for 1 – 5 years based on the Czech, Croatia and Slovenia jurisdiction. The total remaining tax loss carry forward from the years 2019 through 2024 amounts of 4 289 ths. EUR (as at 31 December 2023 total amount of 3 654 ths. EUR and as at 1 January 2023 1 991 ths. EUR) out of which no deferred tax asset was recognized in the Financial Statements at 31 December 2024. The benefits will be recognized when realized or if it will be probable that the unrecognized portion of tax losses will be recoverable against available future profits.

The Group has applied new tax rate of 21% that is applicable since 1 January 2024 for all Czech entities. As at 31 December 2023 Czech tax rate used in deferred tax calculation was also 21%. For Slovenia and Croatia entites the tax rate at the level of 10% and 18 % was used.

The Group does not recognize a deferred tax asset as the only basis for this deferred tax asset is historical tax losses. The Company has performed an analysis of the recoverability of future tax bases and has concluded that it is not probable that the deferred tax asset will be realized.

The unrecognized deferred tax araising from tax loss is 500 ths. EUR as at 31 December 2024 (446 ths. EUR as at 31 December 2023 and 202 ths. EUR as 1 January 2023.

12. INVESTMENT PROPERTY

In thousands of EUR	**Investment property under development**	**Investment property**	**Total**
At January 1. 2024	53 763	134 700	188 463
Additions	89 658	0	89 658
Change of the category/transfer	-104 897	104 897	0
Disposals	0	0	0
Fair value gain (loss) recognized in profit or loss	17 988	16 403	34 391
At December 31. 2024	**56 512**	**256 000**	**312 512**

In thousands of EUR	**Investment property under development**	**Investment property**	**Total**
At January 1. 2023	69 500	76 300	145 800
Additions	45 743	0	45 743
Change of the category/transfer	-64 297	64 297	0
Disposals	0	0	0
Fair value gain (loss) recognized in profit or loss	2 817	-5 897	-3 080
At December 31.2023	**53 763**	**134 700**	**188 463**

Investment property under development comprises unfinished construction projects in different phases of completion. The additions represent new projects in Croatia and Slovenia.

Investment property is composed of land plots and industrial buildings leased out to the various tenants outside the Group.

A part of owned land plots and buildings are subject of bank pledges.

All income and expenditure incurred during the financial year relates to investment properties in use as all such properties are fully occupied and/or minimal, insignificant non-occupancy.

The investment properties were valued using inputs to the valuation technique used in accordance with IFRS 13 carried out by external independent qualified valuers with recent experience valuing investment properties in the location held by the Group at least semi-annually.

The fair value of the investment property has not been adjusted significantly for the purposes of financial reporting.

The fair value of investment property is categorized as a level 3 recurring fair value measurement.

Fair value measurement

The valuation technique and significant unobservable inputs used in determining the fair value measurement of investment property, as well as the inter-relationship between key unobservable inputs and fair value, is detailed in the table below.

Valuation Technique

Fair value is determined by applying the income approach, the market approach or the residual method.

Valuations performed using the income approach are based on the estimated rental value of the property. Capitalization rates expected vacancy rates and rental growth rates are estimated by an external valuer on comparable transactions and industry data. This approach is used for properties where construction has been completed.

Valuations also reflect the type of tenants in occupation, lease term and rent-free period, the quality of building and its location, BREEAM certification and other positive and negative factors affecting the value of property.

Market approach is used for property with development potential and consists in comparison with similar properties for which price information is available. Location, usability in terms of construction and size is reflected when selecting samples. Analysis and adjustment of differences between the subject property and the comparable property is performed by an external valuer or management.

Residual method is used for property with development potential where using the market approach is dubious. Anticipated value of the project when completed, all anticipated costs required to complete the development and development profit are estimated by an external valuer or management based on comparable transactions and industry data.

Significant assumptions/ unobservable inputs

- Equivalent yield (6.5% to 7.50%)
- Expected vacancy rate (0% to 5.00%)
- Rental growth rate (0%)
- Rent-free periods: not applicable, individually 1-2 months

Inter-relationship between key unobservable inputs and fair value

- The higher the equivalent yield and expected vacancy rate the lower the fair value
- The longer the rent-free period the lower the fair value

Date of the revaluation: 31 December 2024

Bank borrowings are secured on the Group's freehold land and buildings, see Note Pledges for more information.

Borrowing costs

The Group capitalizes borrowing costs that are directly incurred in connection with acquisition and construction of a qualifying asset. Borrowing costs are part of total construction costs until the qualifying asset is finished and get ready for its intended use or sale. Afterwards incurred borrowing costs are recognized as an expense.

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Interest on bank loans	7 503	5 086	1 508
Interest on loans from related parties	1 004	19	0
Interest from Bonds from related paries	3 569	3 425	2 329
Interest from Bonds	247	60	17
Total	**12 323**	**8 590**	**3 854**

13. OTHER PROPERTY, PLANT AND EQUIPMENT

In thousands of EUR	Office equipment	Billboards	Warehouse equipment	Other	Total
At January 1, 2024	6	16	0	1	23
Additions	0	40	195	11	246
Depreciation	-2	-1	-15	-3	-21
At December 31, 2024	**4**	**55**	**180**	**9**	**248**

In thousands of EUR	Office equipment	Billboards	Warehouse equipment	Other	Total
At January 1, 2023	7	23	0	1	31
Additions	0	0	0	2	2
Depreciation	-1	-7	0	-2	-10
At December 31, 2023	**6**	**16**	**0**	**1**	**23**

14. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below provides a comparison by class of the carrying amounts and fair value of the financial assets and financial liabilities in the Group's consolidated statement of financial position and their measurement category under IFRS 9. Abbreviations used in accordance with IFRS 9 are: AC Financial assets or financial liabilities measured at amortized cost FVTPL Financial assets measured at fair value through profit or loss.

31 December 2024				
In thousands of EUR	Carrying amount	Fair value	Category	FV hierarchy
Financial assets				
Trade and other receivables	1 638	1 638	AC	Level 3
Prepayments and other financial assets	4 929	4 929	AC	Level 3
Derivative financial assets	686	686	FVTPL	Level 1
Cash equivalents	5 215	5 215	AC	Level 3
Total	12 467	12 467		
Financial liabilities				
Trade and other payables	26 596	26 596	AC	Level 3
Loans and borrowings	173 722	173 722	AC	Level 3
Bonds	42 617	49 324	AC	Level 3
Derivative financial liabilities	0	0	FVTPL	Level 3
Total	242 935	249 642		

31 December 2023

In thousands of EUR	Carrying amount	Fair value	Category	FV hierarchy
Financial assets				
Trade and other receivables	1 451	1 451	AC	Úroveň 3
Prepayments and other financial assets	4 049	4 049	AC	Úroveň 3
Derivative financial assets	243	243	FVTPL	Úroveň 1
Cash equivalents	3 373	3 373	AC	Úroveň 3
Total	9 113	9 113		
Financial liabilities				
Trade and other payables	10 719	10 719	AC	Úroveň 3
Loans and borrowings	100 220	100 220	AC	Úroveň 3
Bonds	39 198	41 817	AC	Úroveň 3
Derivative financial liabilities	0	0	FVTPL	Úroveň 3
Total	150 137	152 756		

1 January 2023

In thousands of EUR	Carrying amount	Fair value	Category	FV hierarchy
Financial assets				
Trade and other receivables	2 956	2 956	AC	Úroveň 3
Prepayments and other financial assets	4 154	4 154	AC	Úroveň 3
Derivative financial assets	0	0	FVTPL	Úroveň 1
Cash equivalents	6 387	6 387	AC	Úroveň 3
Total	11 450	11 450		
Financial liabilities				
Trade and other payables	6 678	6 678	AC	Úroveň 3
Loans and borrowings	64 561	64 561	AC	Úroveň 3
Bonds	38 028	42 524	AC	Úroveň 3
Derivative financial liabilities	0	0	FVTPL	Úroveň 3
Total	109 278	113 763		

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

— Cash and cash equivalents and trade and other receivables, primarily have short terms to maturity; hence, their carrying amounts at the reporting date approximate the fair values;

— The Other non-current receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the counterparty and the risk characteristics of the financed project. As at 31 December 2023, the carrying amounts of these receivables, are assumed not to be materially different from their calculated fair values.

— Trade and other payables also generally have short times to maturity and, hence, their carrying amounts also approximate their fair values.

— The fair value of financial instruments is determined based on quoted prices in active markets. When quoted prices in active markets are not available, valuation techniques are used. Valuation techniques make maximum use of market inputs but are affected by the assumptions used, including discount rates and estimates of future cash flows. Such techniques include amongst others market prices of comparable investments and discounted cash flows. The principal methods and assumptions used by the Group in determining the fair value of financial instruments are obtained from active markets or determined using, as appropriate, discounted cash flow models and option pricing models.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period ending 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

15. CASH AND CASH EQUIVALENT

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Cash at bank available on demand	5 215	3 373	6 387
Total Cash and cash equivalents	**5 215**	**3 373**	**6 387**

Cash for purposes of the statement of cash flows comprises total Cash mentioned in table above.

16. FINANCIAL ASSETS AT AMORTIZED COSTS

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Trade receivables	1 146	1 149	2 147
Less: Allowances for expected credit losses	-83	-83	-100
Trade receivables - net	**1 063**	**1 066**	**2 047**

The Group assesses financial assets at amortized cost made by maturity date and by counterparty. For all balances originated, the Group assesses the probability of default based on an internal rating scale. The Group has used a 3-stage model and recorded an allowance of 83 thousand EUR as of December 31, 2024 (83 thousand EUR as of 34 December 2023 and 100 thousand EUR as of 1 January 2023).

In thousands of EUR	**2024**	**2023**
ECL as at 1 January of the period	83	100
Released due to use	0	0
Released without use	-47	-100
Creation	47	83
Total ECL as ar 31 December of the period	**83**	**83**

Aging matrix is as follows:

In thousands of EUR	**Before maturity**	**Less than 30 days**	**Less than 90 days**	**Less than 360 days**	**More than 360 days**
31 December 2024					
Gross carrying amount	180	618	212	65	71
Expected ctedit loss	1,61%	3,35%	3,49%	25%	50%
Released without use	-3	-21	-7	-16	-36
Net carrying amount	177	597	205	49	35
31 December 2023					
Gross carrying amount	175	632	196	72	74
Expected ctedit loss	1,36%	3,04%	3,49%	25%	50%
Released without use	-2	-19	-7	-18	-37
Net carrying amount	173	613	189	54	37
1 January 2023					
Gross carrying amount	**397**	1 008	620	22	100
Expected ctedit loss	0,35%	2,13%	3,49%	25%	50%
Released without use	-2	-21	-22	-5	-50
Net carrying amount	395	987	598	16	50

17. PREPAYMENTS AND OTHER CURRENT ASSETS

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Prepayments	2 488	3 174	2 240
Tax receivables	1 412	390	1 547
Pre-paid expenses	333	320	274
Other receivables	402	87	0
Accrued revenues	244	33	44
Total prepayments and other current accounts assets	**4 879**	**3 998**	**4 105**

Prepaid expenses are mainly composed of commission fees. Prepayments represent advance payments made in relation of ongoing constructions of logistics centers.

18. FINANCIAL LIABILITIES - TRADE AND OTHER PAYABLES

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Short-term part of trade and other payables			
Trade payables - third parties	10 657	5 953	2 910
Trade payables - related parties	305	220	17
Accrued expenses	6 848	20	65
Retentions	1 627	242	0
Advances/deposits	55	0	0
Taxes and fees	425	255	1 362
Other liabilities	183	175	2
Deferred revenues	9	38	4
Total short-term part of trade payables	**20 107**	**6 903**	**4 360**
Long-term part of trade and other payables			
Trade payables	1 077	57	0
Retentions	4 000	2 034	876
Advances/deposits	1 272	1 727	1 442
Other liabilities	139	252	0
Total long-term part of trade payables	**6 487**	**4 071**	**2 318**
Total Trade and other payables	**19 826**	**10 949**	**6 676**

19. LEASES

Nature of leasing activities (in the capacity as lessor)

The group leases a number of properties (logistic warehouses and production premises) in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In some jurisdictions property leases the periodic rent is fixed over the lease term.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Historical experience of collecting lease receivables supported by the level of defaults confirms that the credit risk is low across the entities in the Group and territories.

More information related to value of property under lease and related revenues is disclosed in Note 9 and Note 12.

Nature of leasing activities (in the capacity as lessee)

The Company does not have the types of contracts that contain leases as specified and required by IFRS 16

20. LOANS AND BORROWINGS

Financing is provided to Group through a combination of borrowings provided by banks, bond investors and loans provided by related and unrelated parties. The carrying amount of loans and borrowings are as follows:

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Current			
Bank loans	4 901	3 191	1 222
Bonds	4 043	21 892	7 855
Related party loans	0	135	0
Current total	**8 944**	**25 218**	**9 077**
Non-Current			
Bank loans	**153 084**	**89 383**	**63 339**
Bonds	**38 574**	**17 306**	**30 173**
Related party loans	**15 737**	**7 511**	11
Non-Current total	**207 395**	**114 200**	**93 523**
Loans and borrowings total	**216 339**	**139 418**	**102 600**

The interest profile of the Group's loans and borrowings is as follows:

In thousands of EUR	31 December 2024	31 December 2023	1 January 2023
Floating rate	157 985	92 574	64 561
Fixed rate	58 354	46 844	38 039
Total	216 339	139 418	102 600

All the Group’s loans are denominated in EUR as at 31 December 2024 and 31 December 2023 and 1 January 2023.

The Group has undrawn committed borrowing facilities available at 31 December 2024 and 31 December 2023 and 1 January 2023, for which all conditions have been met, as follows figures as of given date:

In thousands of EUR	31 December 2024	31 December 2023	1 January 2023
Expiry within 1 year	4 901	3 190	1 222
Expiry up to 5 years	115 472	40 912	30 662
Expiry more than 5 years	37 321	48 471	32 677
Total	**157 694**	**92 573**	**64 561**

21. DERIVATIVE FINANCIAL INSTRUMENTS

Although a certain degree of risk is inherent in the Group's business activities as it was described above, the Group efforts to minimize risks as low as reasonably and for this purpose uses derivative financial instruments. The fair value of derivatives is determined using observable market inputs based on valuations provided by banks and as such the Group had included derivatives in Level 3 of fair value hierarchy. Resulting gains and losses are reported within financial results

None of concluded transactions were entered into for trading or speculative purposes.

Derivative contract	**Party**	**Maturity date**	**Fair value of derivatives**			**Change in fair value of designated hedging instruments**		
			31 Dec 24	**31 Dec 23**	**1 Jan 23**	**31 Dec 24**	**31 Dec 23**	**1 Jan 23**
Interest rate swap dated on 7.8.2023	Zagrebačka Banka	30.9.2025	76	114	0	-38	114	0
Interest rate swap dated on 5.12.2023	OTP Banka	31.10.2025	281	128	0	153	128	0
Interest rate swap dated on 24.1.2024	Zagrebačka Banka	30.1.2026	23	0	0	23	0	0
Interest swap dated on 5.8.2024	OTP Banka	30.4.2027	253	0	0	253	0	0
Interest rate swap dated on 7.8.2024	Zagrebačka Banka	30.9.2026	30	0	0	30	0	0
Interest swap dated on 26.11.2024	Zagrebačka Banka	31.12.2026	15	0	0	15	0	0
Interest swap dated on 5.12.2024	Zagrebačka Banka	31.12.2026	6	0	0	6	0	0
Interest swap dated on 11.12.2025	Zagrebačka Banka	31.12.2026	1	0	0	2	0	0
Total			**685**	**242**	**0**	**444**	**242**	**0**

The uses and related values of derivative financial assets and liabilities are summarised in the following tables per category:

Derivative financial assets

In thousands of CZK	**31 December 2024**	**31 December 2023**	**1 January 2023**
Interest rate derivatives - cash flow hedges	685	242	0
Total derivative financial assets	**685**	**242**	**0**

Maturity of the nominal amounts of the instruments is set out below:

31 December 2024 *In thousands of CZK*	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest rate derivatives	0	357	328	0	685
Total	**0**	**357**	**328**	**0**	**685**

31 December 2023 *In thousands of CZK*	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest rate derivatives	0	0	242	0	242
Total	**0**	**0**	**242**	**0**	**242**

1 January 2023 *In thousands of CZK*	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest rate derivatives	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Derivative financial liabilities

The derivatives registered at 31 December 2024, 31 December 2023 and 1 January 2023 does not contain the liability. The fair value of all derivative contracts is positive therefore the balance of such contracts is presented as derivative financial assets.

22. ISSUED BONDS

The Group issued zero-bonds under Regulated Market of the Bratislava Stock Exchange (more information disclosed in Notes for Separate Financial Statements) and corporate bonds in other European Union countries, specifically Croatia and Slovenia.

In thousands EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
LSH I. EUR 7,0% 12/27 (ISIN: SK4000023255)	451	293	0
LSH II.EUR 8 % 12/27 (ISIN: SK4000023248)	154	141	0
LSH III.EUR 9% 12/27 (ISIN: SK4000023735)	2 822	1 057	0
LSH IV.EUR 9,5% 4/27 (ISIN: SK4000026530)	28 268	0	0
LOG EXPERT ONE 12/2022 8,5% (ISIN: SK4000016945)	0	0	6 399
LOG EXPERT ONE 12/2023 8,5% (ISIN: SK4000019543)	0	0	1 456
LOG EXPERT ONE 12/2024 8,5% (ISIN: SK4000022315)	0	5 139	0
LOG EXPERT ONE 10/2025 6% (ISIN:)	75	78	80
LOG EXPERT TWO 12/2024 9,5% (ISIN:SK4000019188)	0	2 109	8 755
LOG EXPERT TWO 01/2025 9,5% (ISIN: SK4000021408)	0	8 139	3 301
LOG EXPERT THREE 12/2024 9,5% (ISIN: SK4000021390)	0	3 164	3 914
LOG EXPERT FOUR 09/2025 9,5% (ISIN: SK4000021788)	3 968	7 253	3 244
LOG ONE BRNIK 12/2024 8,5% (ISIN:SK4000018891)	0	9 217	8 493
LOG TWO 12/2024 9,5% (ISINSK4000021416)	0	2 263	2 066
LOG TWO 02/2026 6% (ISIN: SK4000020400)	331	345	320
LOG TWO 04/2027 9,5% (ISIN: SK4000026522)	6 548	0	0
Total	**42 617**	**39 198**	**38 028**

Long-term and Short-term bonds issued classification

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Short-term	4 043	21 892	7 855
Long-term	38 574	17 306	30 173
Total	**42 617**	**39 198**	**38 028**

Maturity of bonds issued

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Maturity 2022	0	0	6 399
Maturity 2023	0	0	1 456
Maturity 2024	0	21 892	23 228
Maturity 2025	4 043	15 470	6 625
Maturity 2026	331	345	320
Maturity 2027	38 243	1 491	0
Total	**42 617**	**39 198**	**38 028**

Fair value of bonds issued

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Fair value	49 324	41 817	42 524
Total	**49 324**	**41 817**	**42 524**

Interest expenses

In thousands of EUR	**31 December 2024**	**31 December 2023**
Interest expense	5 168	4 610
…thereof capitalized to PPE	-3 816	-3 485
Total	**1 352**	**1 125**

23. PROVISIONS

Based on overall assessment no provisions were created as at 31 December 2024 and as at 31 December 2023 and 1 January 2023 in the Group.

The Group has considered making provisions for the disposal of the solar panels held by the Group and has concluded that solar panels are almost fully recyclable and the expenses related to dismantling and uninstallation are negligible. Recycling mainly recovers glass, aluminium, silicon and precious metals such as silver and copper. The Group plans to sell these secondary raw materials when the solar panels are disposed of, making disposal or recycling profitable. For this reason, the Group has not made provisions for the disposal of solar panels.

24. GOVERNMENT GRANTS

In 2024 and 2023, the Group received subsidies from the Croation and Slovenian distributors of electricity to decrease the prices of purchased energy.

25. EQUITY

Share capital structure

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Ordinary shares (pcs)	100	100	100
Ordinary shares (par value)	0,83	0,83	0,83
Total	**83**	**83**	**83**

Ordinary shares of Log Sympatia Holding a.s. have as at 31 December 2024 a par value of EUR 830 (as of 31 December 2023 value of EUR 830 and as od 1 January 2023 value of EUR 830).

Each share in the Company ranks pari passu in all respects with all other shares. The same rights are incorporated into all the Company's shares including the right to attend the General Meeting, to require and receive explanations of matters concerning the Company that are part of the agenda of the General Meeting, to submit proposals and counterproposals, and to receive a dividend and share in the liquidation surplus.

All of the issued shares have been fully paid up.

Other reserves

Other reserves include:

-
- Currency translation reserve
- Capital contribution (36 300 thousands EUR as at 31 December 2024, 36 300 thousands EUR as at 31 December 2023 and 36 300 thousands EUR as at 1 January 2023).

26. RELATED PARTY DISCLOSURES

Shareholders structure and interests in subsidiaries are disclosed in the Report on relations that is attached to this consolidated annual financial report.

The Group undertakes transactions with related parties on an arm’s length basis.

The Group applies transfer prices for its business activities in conformity with market levels and in accordance with national and international tax requirements. The related party transactions performed by the Group form part of the Group’s ordinary business activities in terms of their purpose and terms and conditions.

The Group does not trade goods or product internally and the main intra group transactions involve services that are purchased from the third parties and reinvoiced to the entities in the Group (trade receivables and payables), services provided within the Group related to project financing arranged by the parent company Log Sympatia Holding a.s. or by the shareholders, and interests on intercompany loans. Loans and borrowings are provided mainly with maturity period of 5 years and fixed interest rate.

For the purposes of presenting this information, the following are considered to be related parties:

- Shareholders: persons that owns shares in the mother company
- Subsidiaries: companies that are fully controlled and owned by the Group
- Other related parties: other people, companies and entities related to the Group, e.g. joint venture partners or companies controlled (or jointly controlled) by key management personnel.

26.1 SUMMARY OF THE TOTAL AMOUNTS OF TRANSACTIONS CONCLUDED WITH THE GROUP'S RELATED PARTIES

In thousands of EUR	**Profit (+) or loss (-) impact**		**Receivables (+) / Payables (-) to Related parties**		
Related party	**2024 Revenues/Costs**	**2023 Revenues/Costs**	**31 December 2024**	**31 December 2023**	**1 January 2023**
Shareholders					
Operating	*0/0*	*0/0*	*0*	*0*	*0*
Financing	*12/-65*	*0/0*	*0*	*0*	*0*
Other related parties					
Operating	*0/0*	*0/0*	*0*	*0*	*0*
Financing	4/-33	1/0	0	0	0
Total	**16/-98**	**1/0**	**0**	**0**	**0**

26.2 OUTSTANDING BALANCES OF LOANS RECEIVED FROM RELATED PARTIES

In thousands of EUR		**Outstanding loan from Related parties including accrued interests**		
Related party	**Interest expense**	**31 December 2024**	**31 December 2023**	**1 January 2023**
Shareholders	98	15 737	7 646	11
Total	**98**	**15 737**	**7 646**	**11**

26.3 OUTSTANDING BALANCES OF LOANS PROVIDED TO RELATED PARTIES

In thousands of EUR		**Outstanding loan to Related parties including accrued interests**		
Related party	**Interest income**	**31 December 2024**	**31 December 2023**	**1 January 2023**
Shareholders	12	481	351	909
Other related party	4	139	79	49
Total	**16**	**620**	**430**	**958**

There have been no material changes to the Group's related party transactions during the period ended 31 December 2024 compared to period ended 31 December 2023 and 1 January 2023.

26.4 KEY MANAGEMENT COMPENSATIONS AND DIRECTORS´ REMUNARATION

The directors are of the opinion that the key management of the Group comprises the executive and non-executive directors of Log Sympatia Holding a.s. These persons have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. As at December 31, 2024, key management comprised of 5 people (2023: 5). Key management personnel performed the management of the Group from the shareholder level in 2024 and 2023

27. ISSUED GUARANTEES

Issued guarantees

As at the date of these Financial Statements the following guarantees were registered:

Guaranty issued for	Guaranty issued in favour of	Ground
Log Sympatia Holding a.s.	Zagrebačka banka d.o.o., OTP banka d.o.o.	Financial guarantee contracts

28. PLEDGES

As at the date of these Financial Statements the assets in the following companies are pledged:

Company name	Pledge in favour of	Property specification	Property amount	Loan amount
Log Expert One d.o.o.	OTP banka d.o.o.	Land plot and building DC1, DC2, DC3 in Velika Gorica, Croatia	88 300 000	51 500 000
Log Expert Two d.o.o.	Zagrebačka banka d.o.o.	Land plot and building DC1, DC2, in Donja Zdencina, Croatia	78 700 000	48 000 000
Log Expert Three d.o.o.	Zagrebačka banka d.o.o.	Land plot and building DC1 in Kukuljanovo, Croatia	21 900 000	15 000 000
Log Expert Four d.o.o.	Zagrebačka banka d.o.o.	Land plot and biulding DC4 in Velika Gorica, Croatia	43 900 000	29 950 000
Log Expert Seven d.o.o.	EXIMBANKA a.s.	Land plot in Donja Zdencina, Croatia	3 880 000	2 716 000
Log Expert Ten d.o.o.	OTP banka d.o.o.	Land plot and building DC5 and DC6 in Velika Gorica, Croatia	24 640 000	52 900 000
Log One d.o.o.	OTP banka d.o.o.	Land plot and building DC1 in Brnik, Ljubljana, Slovenia	39 100 000	25 500 000
Log Two d.o.o.	EXIMBANKA a.s.	Land plot in Brnik, Ljubljana, Slovenia	1 890 000	1 323 000

29. FINANCIAL RISK MANAGEMENT

The Group's operations expose it to a variety of financial risks that include currency risk, interest rate risk, credit risk and liquidity risk.

In respect to the currency risk, the Group primarily focuses on natural hedging, trying to match a currency structure of assets and liabilities. Industrial properties are leased in Euro and thus bank loans financing these assets are denominated in Euro as well. Rental income of the existing portfolio is the subject of continuous monitoring and is indexed on annual basis in order to be align with market prices and reflect economic reality. Borrowings, cash and cash equivalents and liquid investments are used to finance operational activities. The Group's cash flow is carefully monitored on a daily basis. Excess cash, considering expected future cash flows, is placed on either short- or long-term deposits to maximize the interest income thereon.

Interest rate risk is mitigated either by fixed interest rates of the long-term investment loans or by using interest rate derivative instruments, mostly interest rate swaps.

<u>Financial Covenants</u>

Based on the Consolidated Financial Statements as of 31st December 2024, the Group is focused on key financial metrics including LTV and Debt Service Coverage Ratio (DSCR). for the purpose of the calculation of covenants, the Group has made a revaluation of Investment in real estate under Development to its fair value as of 31st December 2024 and 31 December 2023 and 1 January 2023.

Financial Covenant LTV (Loan to Value) was 51,7 % as of 31st December 2024 , compared to 49,1 % in the end of year 2023, against maximum covenant ratio of 70%. DSCR was 1,23 as at 31st December 2024, compared to 1,20 in the end of year 2023 against a minimum covenant ratio of 1,20.

29.1 CURRENCY RISK

The Group currency risk is minimized as practically almost all the assets and liabilities including bank loans and bonds as well as lease contracts in investment properties are denominated in euro.

Financial assets and liabilities include cash and cash equivalents, trade and other receivables and interest-bearing loans and borrowings, trade and other payables, lease liabilities and other current liabilities.

All remaining assets and liabilities in foreign currencies are immaterial or not subject to exchange rate exposure (such as property, plant and equipment).

The amount of foreign exchange balance in profit and loss account is loss at the amount of 14 ths. EUR for the year 2024 and gain at the amount of 9 ths. EUR for the year 2023.

29.2 INTEREST RATE RISK

The Group's objective for interest rate risk management is to reduce interest-rate risk through a combination of financial instruments, which lock in interest rates on debt and by matching a proportion of floating rate assets with floating rate liabilities. In line with the above interest rate risk management strategy, the Group has entered into a series of interest rate swaps to hedge against fluctuations in interest rates for certain floating rate financial arrangements and certain other obligations.

Floating interest rates on financial liabilities are referenced to European interbank interest rates (EURIBOR). Secured long-term debt and interest rate swaps typically re-price on a quarterly basis. The Group uses current interest rate settings on existing floating rate debt at each year-end to calculate contractual cash flows. Fixed interest rates on financial liabilities are fixed for the duration of the underlying structures.

29.3 CREDIT RISK

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

At 31 December 2024 and 31 December 2023 and 1 January 2023, the Group had no significant concentrations of credit risk. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed periodically by the directors.

The credit risk is primarily assessed in connection with the tenants whom the Group is leasing space in its buildings. Prior to entering the lease contract, the tenant's credit worthiness is assessed with help of external credit rating reports.

The lease contracts with tenants typically contain requirement for either a bank guarantee or parent company guarantees provided by the tenant's owners securing rental payments. Alternatively, a rental deposit might be in place.

The Group would consider a significant increase in its assessment of the credit risk of the counterparty if it was overdue with a payment for more than 3 months. If the receivable was not paid in 6 months, it would be considered as a default of the counterparty.

The Group markets and sells to a relatively small number of customers with individually large value transactions. The Group performs credit checks on all customers (other than those paying in advance) in order to assess their creditworthiness and ability to pay its invoices as they become due. As such, the balance of accounts receivable not owed by large companies is still deemed by the directors to be of low risk of default due to the nature of the checks performed on them, and accordingly an allowance has been created against these receivables to cover this low risk of default.

The Group generally does not require collateral on accounts receivable, as many of its customers are large, well-established companies. The Group has not experienced any losses related to individual customers or groups of customers in any particular industry or geographic area. No credit limits were exceeded during the reporting period and the directors do not expect any significant losses from non-performance by these counterparties, other than those already provided for. Customers provide bank guarantees and a form of mother company guarantees.

29.4 LIQUIDITY RISK

The Group's policy is to maintain balances of cash and cash equivalents and short- and long-term deposits and similar instruments, such that highly liquid resources exceed the Group's projected cash outflows at all times.

Management monitors rolling forecasts of the Group's short and medium-term expected cash flows. This is carried out at a Group level with the local subsidiaries being funded by the Group as required.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2024 *In thousands of EUR*	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
Interest-bearing borrowings	1 028	3 873	115 472	37 612	157 985
Interest-bearing loans	0	0	15 737	0	15 737
Bonds	0	4 043	38 574	0	42 617
Trade and other payables	13 338	0	0	6 487	19 825
Total	**14 366**	**7 916**	**154 046**	**44 099**	**236 164**

31 December 2023 *In thousands of EUR*	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
Interest-bearing loans and borrowings	958	2 233	40 912	48 471	92 574
Interest-bearing loans	0	0	7 508	0	7 508
Bonds	0	21 892	17 306	0	39 198
Trade and other payables	6 870	0	0	4 070	10 940
Total	**7 828**	**24 125**	**65 726**	**52 541**	**150 220**

1 January 2023 *In thousands of EUR*	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
Interest-bearing loans and borrowings	0	1 222	30 662	32 677	64 561
Interest-bearing loans	0	0	8	0	8
Bonds	7 855	23 228	6 945	0	38 028
Trade and other payables	4 358	0	0	2 317	6 674
Total	**4 358**	**1 222**	**30 670**	**34 994**	**109 271**

From the maturity analysis it is seen that the most significant group is interest bearing loans and borrowings. That loans and borrowings are repayable mainly in the range of one of five years. The Group expects to meet those liabilities from operating cash flows and income from maturing financial assets. To manage liquidity, the Group uses a combination of cash inflows from financial assets and available bank resources. In terms of cash flow there is no imminent risk that the Company and its subsidiaries will not be able to meet its maturing liabilities.

29.5 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an appropriate capital structure to have sufficient capital to make strategic investments, including acquisitions. The capital structure of the Group consists of cash and cash equivalents, short- and long-term deposits, and capital and reserves attributable to owners of the Group, as disclosed on the consolidated statement of the financial position.

The Group's strategy is to have a capital structure that considers opportunities to invest in long-term profitable growth, prevailing trading conditions and the desire to improve balance sheet efficiency over time. The Group did not pay out dividend and does not expect to pay any dividend in foreseeable future. The capital structure is continually monitored by the Group.

In thousands of EUR	**31 December 2024**	**31 December 2023**	**1 January 2023**
Interest-bearing loans and borrowings	173 722	100 082	64 569
Bonds	42 617	39 198	38 028
Trade and other payables	19 825	10 940	6 674
Less: cash and short - term deposits	-5 215	-3 370	-6 387
Net debt	**230 949**	**146 850**	**102 884**
Equity (i.e.. Net assets)	65 589	37 457	40 371
Net debt and Net assets	**296 538**	**184 307**	**143 255**
Gearing ratio	**77,88%**	**79,68%**	**71,82%**

30. EMPLOYEE INFORMATION

The Group does not employ directly any employees but rather uses third party and related party service organizations for securing its operations.

31. AUDIT REMMUNERATION

The Group was for the years ended 31 December 2024 and 31 December 2023 and 31 December 2022 audited by BDO Audit, s.r.o. and BDO Croatia d.o.o. ("BDO"). The following amounts were charged by professional advisors and auditors:

In thousands of EUR	2024	2023	2022
Audit (BDO)	13	5	0
Other (BDO)	0	6	0
Total	**13**	**11**	**0**

32. SUBSEQUENT EVENTS

The impact of events that occurred between the balance sheet date and the date of the Consolidated Financial Statements preparation is recognized in the Consolidated Financial Statements if these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events occurring after the balance sheet date happened between the balance sheet date and the date of the Consolidated Financial Statements preparation the consequences of these events are disclosed in the notes to the Financial Statements but not recognized in the Financial Statements.

On 5 March 2025 Log Sympatia Holding a.s. issued new bonds under ISIN: SK4000026951 - LogSymHol/ZERO CPN BD 20271201.

No other event materially affecting the financial position of the group occurred between the balance sheet date and the date of preparation of the Financial Statements. No other events have occurred after the end of the reporting period that would require adjusting the amounts recognized and disclosures made in the separate Financial Statements.

33. MANAGEMENT DECLARATION

The Group's Board of Directors declares that, according to the best of his knowledge, the Consolidated Financial Statements for the year ended 31 December 2024 of Log Sympatia Holding a.s. gives a true and fair view of the financial position, business activities and financial performance of the Company and of the outlook for the future development of its financial position, business activities and financial performance.

....	....
Branislav Habán	Adrian Stanisav
Chairman of the Board of Directors	Member of the Board of Directors
Log Sympatia Holding a.s.	Log Sympatia Holding a.s.

AUDIT REPORT

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BDO Audit s.r.o.
V Parku 2316/12
Prague 4
148 00

This is only the translation of the original Czech version of the Independent Auditor's Report. Only the Czech version presented together with the accompanying audited consolidated financial statements is legally binding.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Log Sympatia Holding a.s.

Opinion

We have audited the accompanying consolidated financial statements of Log Sympatia Holding a.s., with its headquarters at Příkop 843/4, Zábrdovice, 602 00 Brno, IC (Registration Number) 086 59 630 (hereafter the "Company"), and its subsidiaries (hereafter the "Group") prepared in accordance with IFRS as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 1 January 2024 to 31 December 2024 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. Details of the Group are presented in Note 1 of the consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and of its financial performance and its cash flows for the period from 1 January 2024 to 31 December 2024, in accordance with IFRS as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under these regulations are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

BDO

Key audit matters	How the matter was addressed in the audit
<u>First-time adoption of IFRS as adopted by the European Union</u> The transition to reporting under IFRS as adopted by the European Union is a complex process that involves, in particular: - determining the appropriate accounting policies in accordance with EU IFRS for the year ending 31 December 2024 and retrospective application; - significant assumptions and judgements in the application of accounting policies as well as in the remeasurement of certain accounts to comply with EU IFRS; - the preparation of the opening consolidated statement of financial position as at 1 January 2023 and comparative information; - preparing the relevant disclosures for the transition to EU IFRS, including the impact on the consolidated financial statements. Given the complexity of the first application of EU IFRS, which resulted in, among other things, the preparation of comparative information, this area is considered a key audit matter.	We understood the process of preparing the consolidated financial statements and evaluated the design of the relevant controls. We received an analysis of the impact of the transition to EU IFRS at 1 January 2023, including adjustments to certain items in the consolidated financial statements, such as investment property and bonds. These adjustments have also led to the preparation and preparation of comparative information as at 1 January 2023 and for the year ended 31 December 2023. We discussed with management the preparation for the initial application of EU IFRS. With the assistance of internal specialists, we assessed the accuracy and completeness of the material impacts of the initial application of EU IFRS and the appropriateness of the accounting policies and procedures used. We assessed the completeness of the presentation and disclosures in the consolidated financial statements in relation to the requirements of EU IFRS and assessed the adequacy of the disclosures in note 5. First-time Adoption of International Financial Reporting Standards and in Note 7 Significant judgements, estimates and assumptions.
<u>Fair Value of Investments Properties</u> Real estate investments and their fair value valuation are a complex area that requires a significant degree of judgment and expertise. Fair value measurements involve the use of various inputs and methods that can have a significant impact on the Group's financial statements. Due to the significance of investment properties, the complexity of valuation	We have reviewed the valuation reports prepared by an independent valuer and confirmed that they have been prepared in accordance with the relevant standards and contain all the necessary information for an adequate valuation of the investment properties. With the assistance of in-house market specialists in the European Union countries concerned (Croatia and Slovenia), we

models and the level of judgement involved in selecting input factors and valuation methods, we consider this area to be a key audit matter.	assessed the appropriateness of the input factors used. We have assessed whether the input factors used in the fair value measurement, such as market prices, normal rents in the location, discount rates and other relevant data, are reasonable and reflect current market conditions. We assessed the appropriateness of the valuation method selected by the independent valuer in the context of the purpose and whether it was applied consistently with prior periods and generally accepted valuation standards.

Other information included in the Annual Report

In compliance with Section 2 (b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the consolidated financial statements and auditor's report thereon. The Company's Statutory Body is responsible for this other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge of the Company obtained from the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with the applicable laws and regulations, in particular, whether the other information complies with the laws and regulations in terms of formal requirements and procedures for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that

- the other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and

- the other information is prepared in compliance with the applicable laws and regulations.
In addition, our responsibility is to report, based on our knowledge and understanding of the Company obtained from the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

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Responsibilities of the Company's Statutory and Supervisory Body and Audit Committee for the consolidated financial statements

The Company's Statutory Body is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Statutory Body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory Body and Audit Committee are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 the Statutory Body.

- Conclude on the appropriateness of the Statutory Body'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

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consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Company's Statutory and Supervisory Body and Audit Committee 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.

We are also required to provide the Audit Committee with a statement that we have complied with the relevant ethical requirements relating to independence and to inform it of any relationships and other matters that may reasonably be expected to affect our independence and any related arrangements.

Furthermore, it is our responsibility to select, based on the matters we have reported to the Statutory Body and the Audit Committee, those matters that are most significant from the point of view of the audit of the financial statements for the current year and that therefore constitute key audit matters, and to describe those matters in our report. This obligation does not apply where legislation prohibits disclosure of such matters or where, in a very exceptional case, we consider that we should not report on the matter in our report because the potential negative impact of disclosure could reasonably be expected to outweigh the public interest benefits.

Report on other regulatory requirements

In accordance with Article 10(2) of Regulation (EU) No 537/2014 of the European Parliament and of the Council, we include in our independent auditor's report the following information required in addition to International Standards on Auditing:

Appointment of the auditor and duration of the audit

We were appointed as the Company's auditor by the Company's General Meeting of Shareholders on 23 December 2024. We have been the Company's auditor continuously for the third year.

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Compliance with the supplemental report to the Audit Committee

We confirm that our opinion on the financial statements set out in this report is consistent with our supplementary report to the Company's Audit Committee, which we issued on 14 May 2025 in accordance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

Provision of non-audit services

We declare that no prohibited services referred to in Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council have been provided.

We have not provided any services other than statutory audit services to the Company or the companies it controls that are not disclosed in the Company's annual financial report.

Report on Compliance with the ESEF Regulation

We have undertaken a reasonable assurance engagement on the compliance of all financial statements included in the annual report with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("the ESEF Regulation"), related to the financial statements.

Responsibilities of the Statutory Body

The Company's statutory body is responsible for the preparation of financial statements that comply with the ESEF Regulation. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF Regulation;
- the preparation of all financial statements included in the annual report in the applicable XHTML format;
- and the selection and application of XBRL mark-ups as required by the ESEF Regulation.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements included in the annual report comply, in all material respects, with the ESEF Regulation based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000").

The nature, timing and extent of procedures selected depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but is not a guarantee that an assurance engagement conducted in accordance with the above standard will always detect any existing material non-compliance with the ESEF Regulation.

BDO

Our selected procedures included:

- obtaining an understanding of the requirements of the ESEF Regulation;
- obtaining an understanding of the Company's internal control relevant to the application of the ESEF Regulation;
- identifying and assessing the risks of material non-compliance with the ESEF Regulation, whether due to fraud or error; and
- based on the above, designing and performing procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The objective of our procedures was to evaluate whether:

- the financial statements included in the annual report were prepared in the applicable XHTML format;
- the disclosures in the consolidated financial statements as specified in the ESEF Regulation were marked up, with all mark-ups meeting the following requirements:
    - the XBRL mark-up language was used;
    - the elements of the core taxonomy specified in the ESEF Regulation with the closest accounting meaning were used, unless an extension taxonomy element was created in compliance with the ESEF Regulation; and
    - the mark-ups complied with the common rules on mark-ups specified in the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Company's financial statements for the year ended 31 December 2024 included in the annual report are, in all material respects, in compliance with the ESEF Regulation.

<u>Statutory auditor responsible for the engagement</u>

Jana Hubáčková is the statutory auditor responsible for the audit of the financial statements of the Company as at 31 December 2024, which forms the basis of this independent auditor's report.

In Prague, on 14 May 2025

Audit firm:	Engagement Partner:
BDO Audit s. r. o.	Jana Hubáčková
Certificate No. 018	Certificate No. 2501

SEPARATE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024 AND AUDITOR´S REPORT

STATEMENT COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of EUR	Notes	31 December 2024	31 December 2023
Interest revenue	10	786	43
Interest expense	10,19	-754	-65
Revenue from provided services	9	142	117
General and administrative expenses	9	-11	-20
Other income/expense	9	-2	-12
Proft from operations		**161**	**63**
Foreign exchange gain or loss	11	-14	0
Profit before tax		**147**	**63**
Income taxes	12	21	15
PROFIT FOR THE PERIOD		**168**	**78**
OTHER COMPREHENSIVE INCOME		0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**168**	**78**

The accompanying notes on pages 85-111 form an integral part of these separate financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

In thousands of EUR	Notes	31 December 2024	31 December 2023	1 January 2023
ASSETS				
NON-CURRENT ASSETS				
Investment in subsidiaries	13, 14	41 067	37 764	36 308
Loans provided to Subsidiaries and Shareholder	15	41 909	3 604	73
Loans provided to other related parties	15	89	29	0
Deferred tax assets	12	36	15	0
TOTAL NON-CURRENT ASSETS		**83 101**	**41 412**	**36 381**
CURRENT ASSETS				
Current tax receivable		0	1	0
Cash	16	43	116	8
TOTAL CURRENT ASSETS		**43**	**117**	**8**
TOTAL ASSETS		**83 144**	**41 529**	**36 389**

EQUITY AND LIABILITIES				
EQUITY				
Share capital	17	83	83	83
Translation reserve	17	-2	-2	-1
Capital contribution	17	36 300	36 300	36 300
Retained earnings	17	242	74	-4
TOTAL EQUITY		**36 623**	**36 455**	**36 378**
NON-CURRENT LIABILITIES				
Issued bonds	19	31 694	1 491	0
Loans and borrowings	18	11 511	3 525	8
TOTAL NON-CURRENT LIABILITIES		43 205	5 016	**8**
CURRENT LIABILITIES				
Trade and other payables		5	25	3
Prepayments and other current liabilities	13	3 311	33	0
TOTAL CURRENT LIABILITIES		3 316	58	**3**
TOTAL EQUITY AND LIABILITIES		**83 144**	**41 529**	**36 389**

The accompanying notes on pages 85-111 form an integral part of these separate financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of EUR	Share capital	Translation Resrve	Capital Contribution	Retained Earnings	Net Results fot the perid	Total equity
Balance at 1 January 2023	**83**	**-1**	**36 300**	**-3**	**-2**	**36 377**
Net result from priod period roll-over				-2	2	0
Foreign currency translation differences		-1				-1
Profit for the period					78	78
Balance at 31 December 2023	**83**	**-2**	**36 300**	**-5**	**78**	**36 455**
Net result from priod period roll-over				78	-78	0
Profit for the period					168	168
Balance at 31 December 2024	**83**	**-2**	**36 300**	**74**	**168**	**36 623**

The accompanying notes on pages 85-111 form an integral part of these separate financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of EUR	Note	31 December 2024	31 December 2023
Cash flows from operating activities			
Profit for the year		**147**	**63**
Adjustments for:			
Interest revenue/expense	10	-32	22
Other non-cash operations		0	0
Operating profit before changes in working capital			
Decrease/(increase) in trade and other receivables		-20	-16
Increase/(decrease) in trade and other payables		3 258	55
Proceeds from bonds	19	29 979	1 435
Repayment of borrowings	18	-42 386	-5 296
Proceeds from loans and borrowings	18	50 367	8 812
Repayment of issued loans	15	13 242	4 544
Proceeds from issued loans	15	-51 325	-8 045
Net cash flows from operating activities		**3 115**	**1 479**
Cash flows from investing activities			
Investments in subsidiaries	13	-3 303	-1 456
Net cash flows from investing activities		**-3 303**	**-1 456**
Net increase in cash		**-73**	**108**
Cash at beginning of year		**116**	**8**
Cash at end of year		**43**	**116**

The accompanying notes on pages 85-111 form an integral part of these separate financial statements

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Content

1. GENERAL INFORMATION

Company structure and identification

Log Sympatia Holding a.s. ("the Company") is a joint stock company incorporated and registered in the Czech Republic with registered address at Příkop 843/4, Zábrdovice, 602 00 Brno, Czech Republic.

The Company was formed on 4 November 2019 and registered in Commercial Register kept by the Municipal court in Brno, section B, file 8260.

Registration number: 086 59 630

The registered subject of the Company's business is production, trade and services. Currently the company manages, finances, implements the construction and lease of the given real estate.

The Company does not prepare individual or separate annual report as the relevant information is intended to be included in the consolidated annual report.

Ownership

As of 31 December 2024, the ownership structure of the Company was as follows:

- Log Expert Development s.r.l. (with its registered address 23 Lorena Street, room 2, ap.11, 300001 Timisoara, Romania, Registration number: J35/1135/2011, Identification number: 28470916) – 50 % of equity shares
- Sympatia Projects, s. r. o. (with its registered address Vajnorská 21 A, 831 03 Bratislava - Nové Mesto, Slovakia, Registration number: 54 246 890) – 40 % of equity shares
- MB Cons Solutions s.r.l. (with its registered address 16 Fargas Street, Dumbravita Village, Timis Country, Romania, Registration number: J35/2279/2015, Identification number: 35220793) - 10 % of equity shares

The ultimate beneficial owner registered under Ministry of Justice of the Czech Republic are:

- Branislav Habán (indirect beneficial owner)
- Ecaterina Onica (indirect beneficial owner).

The Statutory body

The statutory body of the company is represented by the Board of Directors. The Board of directors is composed by two members:

- Ing. Branislav Habán
- Adrian Stanisav.

Both members of the Board of Directors act jointly on behalf of the company.

The Supervisory body and The audit committee

The Supervisory body of the company is represented by:

- Ing. Marek Laššák
- Bogdan Martin
- Member no. 3.

Number of the members of the Supervisory body is 3. As at 31 December 2024 the Supervisory body has only two members.

The Audit committee is represented:

- Oana Alexandra Gaspar

- Michal Baňas
- Irenej Denkocy.

Number of the members of the Audit committee is 3. As at 31 December 2024 the Supervisory body has three members.

1.1 SHARE CAPITAL OF LOG SYMPATIA HOLDING A.S.

The Company issued 100 registered shares in certified form with a nominal value of 20 000CZK per one share. The total amount of share capital is 2 000 000 CZK and is fully paid.

There has been no change in the number of equity shares issued during the period.

The Company has not acquired any own shares during the reporting period.

1.2 GROUP STRUCTURE

Group Structure

The LSH Group had the following subsidiaries as of December 31, 2024:

Company	Registered office	From	Ownership interest	Segment
Log Sympatia Holding a.s.	Příkop 843/4, Zábrdovice, 602 00 Brno	4.11.2019	Top holding company	Czech Republic
LOG EXPERT ONE d.o.o.	Ilica 1, Zagreb, 10000, Croatia	1.4.2020	100 % Subsidiary	Croatia
LOG EXPERT TWO d.o.o.	Ilica 1, Zagreb, 10000, Croatia	26.3.2021	100 % Subsidiary	Croatia
LOG EXPERT THREE d.o.o.	Ilica 1, Zagreb, 10000, Croatia	10.8.2021	100 % Subsidiary	Croatia
LOG EXPERT FOUR d.o.o.	Ilica 1, Zagreb, 10000, Croatia	14.10..2021	100 % Subsidiary	Croatia
LOG EXPERT SEVEN d.o.o.	Ilica 1, Zagreb, 10000, Croatia	21.10.2023	100 % Subsidiary	Croatia
LOG EXPERT EIGHT d.o.o.	Ilica 1, Zagreb, 10000, Croatia	14.4.2023	100 % Subsidiary	Croatia
LOG EXPERT TEN d.o.o.	Ilica 1, Zagreb, 10000, Croatia	24.1.2024	100 % Subsidiary	Croatia
LOG ONE d.o.o.	Pot za Brdom 102, Ljubljana, 1000 Ljubljana	22.1.2021	100 % Subsidiary	Slovenia
LOG TWO d.o.o.	Pot za Brdom 102, Ljubljana, 1000 Ljubljana	27.10.2021	100 % Subsidiary	Slovenia

The Company is also the parent company that prepares consolidated financial statements.

2. GOING CONCERN

As at the date of signing separate financial statements management does not consider that there are any facts or circumstances, which would indicate a threat to the continuation of the Company activity in a period of at least 12 months as result of the intentional or involuntary omissions or a significant reduction in its current activities, therefore the report has been prepared on a going concern basis.

The going concern principle is a key basis of preparation of separate financial statements under IFRS.

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by the European Union for the first time for the period ended 31 December 2024.

The separate financial statements have been prepared on a going concern basis and in accordance with the historical cost method, except for financial assets and liabilities measured at fair value, employee share-based payments measured at grant date fair value and contingent consideration relating to business combinations at fair value.

The separate financial statements include the separate statement of the financial position, separate statement of profit or loss, separate statement of other comprehensive income, separate statement of changes in equity, separate statement of cash flows and explanatory notes. The separate financial statements cover the year ended 31 December 2024 and contain comparatives for the year ended 31 December 2023.

The separate financial statements are presented in Euro ("EUR"), and all values, unless stated otherwise, are presented in EUR thousand.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires that management exercises its judgement in the process of applying the Company's accounting policies. The areas might involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements.

3.2 FUNCTIONAL AND PRESENTATION CURRENCY

In accordance with the International Financial Reporting Standards (IFRS), Company has decided to adopt the Euro (EUR) as its presentation currency. This decision reflects our commitment to aligning our financial reporting with international standards and enhancing the transparency and comparability of our financial statements. The adoption of Euro streamlines Company´s financial processes and support strategic objectives in the European market.

The functional currency is Czech crown.

3.3 FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities expressed as at the balance sheet date in foreign currencies are translated using the closing exchange rate announced by the Czech National Bank for the end of the reporting period, and all foreign exchange gains or losses are recognized in profit or loss under:

- operating income and expense – for trading operations,
- finance income and costs – for financial operations.

Non-monetary assets and liabilities carried at historical cost expressed in a foreign currency are stated at the historical exchange rate as at the date of the transaction. Non-monetary assets and liabilities carried at fair value expressed in a foreign currency are translated at the exchange rate as at the date on which they were remeasured to the fair value.

Foreign exchange gains and losses recognized in profit or loss are offset.

4. FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company has prepared its separate financial statements for the year ended 31 December 2024 for the first time in accordance with IFRS accounting standards. For the period up to and including the year ending 31 December 2023, the Company prepared its financial statements in accordance with Czech accounting regulations.

In preparing separate financial statements, the Company's opening financial position was prepared as at 1 January 2023, which is the date of the Company's transition to IFRS accounting standards.

4.1 EXCEPTIONS TO RETROSPECTIVE APPLICATION

Except for certain mandatory exemptions and optional exemptions, IFRS 1 requires retrospective application of the version of the standards and interpretations effective at 31 December 2024 in preparing the opening financial position as at 1 January 2023 and throughout the period presented in the Company's first financial statements prepared in accordance with IFRS accounting standards.

In preparing these financial statements, the Company has applied the mandatory exemptions from retrospective application of other IFRS and has elected to apply certain optional exemptions. The relevant exemptions are described below.

Mandatory exceptions

Classification and valuation of financial instruments

The Company assesses whether its financial assets qualify for amortised cost measurement based on the facts and circumstances existing at the date of transition to IFRS accounting standards. Where retrospective application of the effective interest method is impractical for the Company, the fair value of financial assets or financial liabilities at the date of transition to IFRSs is the new gross carrying amount of those financial assets or the new amortised cost of those financial liabilities at the date of transition to IFRSs. Therefore, for cash and cash equivalents, trade and other receivables, loans to related parties and trade and other financial liabilities, their carrying amounts are considered to reasonably approximate their fair values. For loans, their fair values are insignificantly different from their carrying amounts because the variable interest payable on these loans is either close to current market rates or the loans are short-term in nature.

Estimates

The estimates as at 1 January 2023 and 31 December 2023 are consistent with estimates made for the same dates in accordance with Czech accounting regulations (after adjustments for differences in accounting policies).

Optional exceptions

Cumulative difference from foreign currency translation

The Company reports the historical foreign currency translation reserve to -1 ths. EUR as of January 1, 2023. This amount of translation reserve is based on foreign currency translation made at the level of foreign exchange rate disclosed by Czech National Bank as at 1 January 2023.

Determination of whether a contract contains a lease

The Company assessed all contracts in existence as of January 1, 2023 to determine whether the contract contains a lease based on the facts and circumstances existing as of January 1, 2023. The Company assessment is that none of the existing contracts contains a lease.

4.2 RECONCILIATION OF STATEMENTS

Reconciliation of profit/loss:

In thousands of EUR	2023 in thousands of EUR
Profit (+)/Loss (-) for the period based on Czech GAAP	-7
Effects of changes in accounting policies	
Differences in profit for the accounting period - IFRS 9 - bonds - transaction costs	*133*
Differences in profit for the accounting period - IFRS 9 - bonds - EIR	*-10*
Differences in profit for the accounting period - Deferred tax assets	*15*
Differences in profit for the accounting period - other	*-53*
Profit/Loss for the period based on IFRS	78

Bonds

In Czech GAAP, bonds are typically reported at level of money received from issuing bonds, which means the initial price of the bond. Transaction costs related to the issuance of the bond are usually expensed immediately.

Under IFRS 9, the treatment is different. When a bond is issued, the transaction costs represent and are treated within an initial recognition of the bond. The bonds are measured at amortized cost using the effective interest rate (EIR) method. This method spreads the transaction costs over the life of the bond, adjusting the carrying amount of the bond to reflect the interests and the amortization of the transaction costs.

The effective interest rate method calculates the amortized cost of a financial asset or liability and allocates the interest income or expense over the relevant period. This results in a more accurate reflection of the financial performance and position of the entity.

Deferred tax asset

Based on changes described above, the IFRS requires to disclose the deferred tax asset that was not applied in local GAAP for the year 2023.

Other - differences in profit for the accounting period

This category includes various individually insignificant items that had an impact on the retained earnings balance at December 31, 2023 or January 1, 2023 and on the total profit or loss for the year ended December 31, 2023. These items mainly consist of the impact of foreign currency differences.

Reconciliation of equity:

In thousands of EUR	31 December 2023	1 January 2023
Total equity for the period based on Czech GAAP	36 422	37 349
Effects of changes in accounting policies		
First adoption PL	*85*	*0*
Translation – excluding the FX EUR balance to CZK for the period	*-49*	*-970*
Translation - CZK balances to EUR as at reporting date	*0*	*-1*
Other - differences in profit for the accounting period	36 455	36 377

Other - differences in profit for the accounting period

This category includes various individually insignificant items that had an impact on the retained earnings balance at December 31, 2023 or January 1, 2023 and on the total profit or loss for the year ended December 31, 2023. These items mainly consist of the impact of foreign currency differences.

Reconciliation of cash flows:

In thousands of EUR	IFRS	CZ GAAP
Balance of cash and cash equivalent as at 1 January 2023	8	8
Balance of cash and cash equivalent as at 31 December 2023	116	116

The changes between cash and cash equivalents under Czech accounting regulations and IFRS does not refer to any material differences.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Separate Financial Statements in accordance with IFRS requires the directors to make critical accounting estimates and judgments that affect the amounts reported in the Financial Statements and accompanying notes. These estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The preparation of the Separate Financial Statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the Financial Statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The company is established primarily as a holding company to provide financing for real estate development projects in foreign markets. It has adapted its profit and loss statement presentation to this purpose.

In the process of applying the Company's accounting policies, management has not made any significant judgements, estimated or assumptions.

6. ACCOUNTING POLICIES

6.1 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at amortized cost decreased by impairment losses. The amortized cost represents the amount of consideration paid for the acquisition of the subsidiary including any subsequent capital contributions.

6.2 FINANCIAL ASSETS AT AMORTIZED COST

Financial assets at amortized cost include trade receivables, other receivables and cash and cash equivalents and represent non-derivative financial instruments which are held within a business model with the purpose to receive contractual cashflows (held to collect) and the contractual terms of the financial asset give rise to cashflows at fixed dates which represent solely payments of principal and interest (SPPI).

Such financial assets are stated at amortized cost with any difference between cost and redemption value being recognized in the consolidated income statement over the period of the financial assets on an effective interest basis.

Trade receivables

Trade receivables do not carry any interest and are stated at amortized cost as reduced by appropriate bad debt allowances. Such allowances are based on the expected credit losses, calculated in accordance with IFRS 9. The Company has not developed a provision matrix based on historical credit loss experience as historical credit losses are insignificant. In case there has been a significant increase in credit risk since initial recognition, the Company recognizes lifetime expected credit losses. This is the case when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the default risk has significantly increased. An impairment loss is recognized in the statement of income, as are subsequent recoveries of previous impairments.

Loans and other financial assets

Loans and other financial assets at amortized cost include mainly intercomapany balance registered within LSH Group or with other related parties. These financial assets are accounted for at amortized cost and the Company recognizes a loss allowance for expected credit losses in accordance with IFRS 9. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Such cash balances are only held with banks with high credit ratings, as such expected credit losses are not deemed significant. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated cash-flow statement.

6.3 PREPAYMENT AND OTHER CURRENT ASSETS

The Company records pre-paid expenses, accrued revenues and estimated revenues in order to ensure that revenues and incomes are allocated to the correct accounting period. Expenses relating to future reporting periods are deferred as prepayments. Other current assets consist of assets that are either owed to the Company within one year or likely to be used within one year.

6.4 IMPAIRMENT OF OTHER NON-FINANCIAL ASSETS

The carrying amounts of the Company's assets, other than investment property, investment property under development and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In respect of goodwill, the recoverable amount is estimated at each reporting date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognized in profit or loss. An impairment loss in respect of a Property, plant and equipment measured at fair value is reversed through profit and loss to the extent that it reverses an impairment loss on the same asset that was previously recognized in profit and loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (groups of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

6.5 SHORT- AND LONG-TERM DEPOSITS AND SIMILAR INSTRUMENTS

The Company considers all highly liquid investments with original maturity dates of greater than three months and maturing in less than one year to be short-term deposits. Deposits with a maturity date of greater than one year from the balance sheet date are classified as long-term.

6.6 FINANCIAL LIABILITIES AT AMORTISED COSTS

Financial liabilities are classified and measured at initial recognition as financial liabilities at amortised cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.
Any gain or loss on derecognition is also recognized in profit or loss.
The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.
On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.
The Company's financial liabilities include trade and other payables, loans and borrowings.

Loans and borrowings

At initial recognition, all bank credits and loans are recorded at their fair value, which corresponds to the received cash funds, less the costs of obtaining the credit or loan.
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (“EIR”) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.
Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Costs calculated using the effective interest rate (EIR) method are included as finance costs in the statement of profit or loss.
Trade and other payables
Trade payables are recognized at their nominal value which is deemed to be materially the same as the fair value and divided to two groups: settled short-term and long-term.

6.7 EQUITY

Equity is classified by category and in accordance with binding legal regulations and the Company’s Statute.
Issued share capital
Issued capital represents the amount of capital registered in the Shareholders Register and is classified as equity. External costs directly attributable to the issuance of share capital, other than upon a business combination, are shown as a deduction from the proceeds, net of tax, in equity.
Share capital is presented at the amount stated in the Articles of Association and recorded in the Commercial Register. .
Declared but unpaid capital contributions are recorded as unpaid share capital. Treasury shares and unpaid share capital are deducted from the Company’s equity
Translation Reserve
Separate translation reserve includes the effects of foreign currency remeasurement of financial statements as at the date of first-time adoption.
Capital contribution
Capital contribution include other capital funds, which represent contribution outside the registered capital.
Retained earnings
Retained earnings arises from accumulation of profits and losses of the activities and are subject of dividend distribution.

6.8 LEGAL SETTLEMENT AND OTHER CONTINGENCIES

Determining the amount to be accrued for legal settlements requires the directors to estimate the committed future legal and settlement fees the Company is expecting to incur, either where suits are filed against the Company for infringement of patents, or where the Company may be required to indemnify a licensee. The directors assess the extent of any potential infringement based on legal advice and written opinions received from external counsel and then estimate the level of accrual required.

6.9 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company divides financial liabilities into current and non-current according to its maturity. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

6.10 PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION POLICIES

Revenue is recognised at the amount of the transaction price (which excludes estimates of variable consideration), and when the amount of revenue can be measured reliably. Revenue is measured excluding value added tax (VAT), excise tax and rebates (discounts, bonuses and other price reductions, i.e. possible price reductions assumed by the management).

The amount of revenue is measured at the fair value of the consideration received or receivable. Revenue is stated at net present value when the effect of the time value of money is material (in case of payment after 360 days, such transactions contain a significant financing component). If revenue is measured at discounted amount, the discount is recognised using the effective interest method as an increase in receivables, and as financial income in profit or loss.

Foreign exchange rate differences resulting from the realisation or the remeasurement of trade receivables are recognised in profit or loss.

Revenue is also recognised in accordance with the criteria specified below.

Recognition, measurement, presentation or disclosure of Company's revenue doesn't bear any significant judgements or assumptions. Company's transactions are rather clear.

Provision of services

Revenue from the provision of services is recognised when the service was performed with reference to the percentage of completion of the service obligation.

Interest

Interest income is recognised gradually using the effective interest method.

6.11 TAXES

Current income tax

Current income tax assets and liabilities for an accounting period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and adjusts them appropriately if needed.

Deferred tax

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax is calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is likely to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

6.12 FOREIGN CURRENCY TRANSACTIONS

Functional and presentation currency

The functional currency of the Company is the currency of the primary economic environment in which the Company operates. For the Company the functional currency is Czech crown.
The Separate Financial Statements are presented in EUROs.

Transactions and balances

Transactions denominated in foreign currencies have been translated into the functional currency of each Company entity at daily rates of exchange. Monetary assets and liabilities denominated in foreign currencies have been translated at closing rates of exchange at the balance sheet date. Exchange differences have been included in the translation reserve.

The results and financial positions of Company (no currency of a hyper-inflationary economy) which are not in euros are translated into euros as follows:

- assets and liabilities are translated at the closing rates of exchange at the balance sheet date;
- income and expenses are translated at daily exchange rates of transactions; and
- all resulting exchange differences are recognized as a separate component of equity, being taken through other comprehensive income via the cumulative translation adjustment.

7. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

7.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED FROM 1 JANUARY 2024

For annual reporting periods beginning on or after 1 January 2024, the following are newly effective requirements:

- Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
- Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)
- Non-current Liabilities with Covenants (Amendment to IAS 1)

These amendments had no effect on the consolidated financial statements of the Company.

Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments).

The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)

The IASB issued the final amendments in September 2022.

The Amendments provide a requirement for the seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022.

The amendments require that an entity’s right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

Non-current Liabilities with Covenants (Amendment to IAS 1)

Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022.

If an entity’s right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period.

The amendments also provide clarification on the meaning of ‘settlement’ for the purpose of classifying a liability as current or non-current.

7.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The summary below lists all pronouncements with a mandatory effective date in future accounting periods:

- Lack of Exchangeability (Amendment to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards Lack of Exchangeability (Amendment to IAS 21)
- Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements) (Amendments to IFRS 9 and IFRS 7)
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Company is currently assessing the effect of these new accounting standards and amendments.

Lack of Exchangeability (Amendment to IAS 21)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and measurement requirements of IFRS 9 Financial Instruments, in May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7:

Derecognition of financial liabilities

- Derecognition of financial liabilities settled through electronic transfers.

Classification of financial assets

- Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – ‘SPPI test’)
- Contractual terms that change the timing or amount of contractual cash flows
- Financial assets with non-recourse features
- Investments in contractually linked instruments.

Disclosures

- Investments in equity instruments designated at fair value through other comprehensive income
- Contractual terms that could change the timing or amount of contractual cash flows.

The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.

8. INCOME STATEMENT DISCLOSURE - REVENUE

The Company generated revenue for the disclosed period as follows:

In thousands of EUR	**31 December 2024**	**31 December 2023**
Revenues from services	142	117
Total	**142**	**117**

The revenues generated represents the Company's fees for securing the project financing for its subsidiaries.

9. INCOME STATEMENT DISCLOSURE - EXPENSES

In thousands of EUR	**31 December 2024**	**31 December 2023**
General and administrative expenses	-11	-20
Other expenses	-2	-12
Total	**-13**	**-32**

The expenses include mainly general and administrative expenses such as managing the company including legal costs, accounting, audit and other related costs.

10. INCOME STATEMENT DISCLOSURE - INTERESTS

In thousands of EUR	**31 December 2024**	**31 December 2023**
Interest income from loans in the Group	786	43
Interest expense from loans in the Group	-262	-9
Interest expense from issued bonds	-492	-56
Total	**-32**	**-22**

The interest income and expenses arise from intercompany loans and loans provided to or received from other related parties. The Interest expenses from bonds relate to bonds issued by the Company.

11. INCOME STATEMENT DISCLOSURE – FOREIGN EXCHANGE GAIN/LOSS

FX losses arose mainly from Company's CZK bank credits and trade payables.

12. INCOME STATEMENT DISCLOSURE - INCOME TAX

Main income tax elements for the twelve-month period ended 31 December 2024 and 31 December 2023 were as follows:

In thousands of EUR	**31 December 2024**	**31 December 2023**
Current income tax expense	**0**	**0**
… current income tax on profits for the year	*0*	*0*
… income tax on profits for the previous year	*0*	*0*
Deferred income tax expense	**21**	**15**
… related to arising and reversing of temporary differences other than tax losses	*21*	*15*
… related to tax losses	*0*	*0*
Total	**21**	**15**

The income tax rate applicable to the Company in 2024 income is 21 % and 2023 income is 19 %. Deferred income tax benefit was mainly influenced by the deferred tax asset from bonds due to the application of IFRS 9

Effective tax reconciliation

In thousands of EUR	**31 December 2024**	**31 December 2023**
Profit/(Loss) before income tax	**147**	**63**
Tax @ 21 % / 19 % valid in the Czech Republic	31	12
Tax effect of:		
Non-deductible expenses	-8	-10
Non-taxable income	0	0
Recognized deferred tax asset/liability	21	15
Previously unrecodnized deferred tax asset/liability	-23	-2
Income tax expense/benefit	**21**	**15**
Effective tax rate	**6,8%**	**23,8%**

Deferred tax reconciliation

In thousands of EUR	**31 December 2024**		**31 December 2023**		**1 January 2023**	
Deferred tax items	**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
Bonds	36		15			
Tax losses	23		2		0	
Total	**59**		**17**		**0**	
Valuation allowance	-23		-2		0	
Deferred tax net	**36**		**15**		**0**	
Change in deferred tax	**36**		**15**		**0**	
Thereof through PL	*36*		*15*		*0*	
Thereof through OCI	*0*		*0*		*0*	

The Company does not recognize a deferred tax asset as the only basis for this deferred tax asset is historical tax losses. The Company has performed an analysis of the recoverability of future tax bases and has concluded that it is not probable that the deferred tax asset will be realized.

The unrecognized deferred tax asset for tax losses at 31 December 2024 was as follows:

In thousands of EUR	Tax loss	Not recognized DTA
2020	1	0,21
2021	1	0,21
2022	1	0,21
2023	7	1,47
2024	99	20,79
Total	**109**	**23**

The unrecognised deferred tax asset for tax losses at 31 December 2023 was as follows:

In thousands of EUR	Tax loss	Not recognized DTA
2019	1	0,21
2020	1	0,21
2021	1	0,21
2022	1	0,21
2023	7	1,47
Total	**11**	**2,31**

The unrecognized deferred tax asset for tax losses at 1 December 2023 was as follows:

In thousands of EUR	Tax loss	Not recognized DTA
2019	1	0,21
2020	1	0,21
2021	1	0,21
2022	1	0,21
Total	**4**	**0,84**

13. INVESTMENT IN SUBSIDIARIES

Ownership interest:

Company	31 December 2024	31 December 2023	1 January 2023
LOG EXPERT ONE d.o.o.	100 % Subsidiary	100 % Subsidiary	100 % Subsidiary
LOG EXPERT TWO d.o.o.	100 % Subsidiary	100 % Subsidiary	100 % Subsidiary
LOG EXPERT THREE d.o.o.	100 % Subsidiary	100 % Subsidiary	100 % Subsidiary
LOG EXPERT FOUR d.o.o.	100 % Subsidiary	100 % Subsidiary	100 % Subsidiary
LOG EXPERT SEVEN d.o.o.	100 % Subsidiary	100 % Subsidiary	N/A
LOG EXPERT EIGHT d.o.o.	100 % Subsidiary	100 % Subsidiary	N/A
LOG EXPERT TEN d.o.o.	100 % Subsidiary	N/A	N/A
LOG ONE d.o.o.	100 % Subsidiary	100 % Subsidiary	100 % Subsidiary
LOG TWO d.o.o.	100 % Subsidiary	100 % Subsidiary	100 % Subsidiary

Cost and carrying amount:

Company	31 December 2024	31 December 2023	1 January 2023
LOG EXPERT ONE d.o.o.	22 950	21 450	20 000
LOG EXPERT TWO d.o.o.	6 500	6 500	6 500
LOG EXPERT THREE d.o.o.	3 500	3 500	3 500
LOG EXPERT FOUR d.o.o.	3	3	3
LOG EXPERT SEVEN d.o.o.	3	3	N/A
LOG EXPERT EIGHT d.o.o.	3	3	N/A
LOG EXPERT TEN d.o.o.	3	N/A	N/A
LOG ONE d.o.o.	8 100	6 300	6 300
LOG TWO d.o.o.	5	5	5
TOTAL	**41 067**	**37 764**	**36 308**

In 2023, the investment in Log Expert One d.o.o. was increased through capital contribution by EUR 1 450 thousand and by EUR 1 500 thousand in 2024. The capital contribution was paid in 2025 and is reported under other current liabilities as of December 31, 2024. In 2024, the investment in LOG ONE d.o.o. was increased by a capital contribution of EUR 1 800 thousand.

In 2023, the Company established two entities: Log Expert Seven d.o.o. and Log Expert Eight d.o.o. Both companies were acquired for the price referring the share capital of the subsidiary.

In 2024, the Company established one new entity Log Expert Ten d.o.o. The company was acquired for the price referring the share capital of the subsidiary.

14. IMPAIRMENT TESTING

Investments in subsidiaries were subject of impairment testing. Fair value method is utilized for the determination of the recoverable amount based on appraisals prepared as at each reporting date.

In 2024 and 2023 including 1 January 2023, there wasn't identified any impairment loss. In 2024 and 2023 including 1 January 2023, there wasn't identified any impairment indicator due to overall positive business development.

Impairment testing was also performed at the level of the group of subsidiaries as a whole and the results of the testing confirmed the conclusions of the testing of the individual entities, which is that there are no factors leading to potential temporary impairment.

15. LOANS PROVIDED BY LOG SYMPATIA HOLDING A.S.

Loans are financial assets measured at amortized cost. Loans are carried at amortized cost and any difference between the proceeds (less transaction costs) and the redemption amount is recognized in profit or loss over the life of the loan. The Company measures loans at amortized cost using the effective interest rate method less expected credit losses.

In thousands of EUR		31 December 2024	
Fixed interest rate	Brutto	ECL	Netto
Shareholders	481	0	481
Intercompany loans	41 428	0	41 428
Other related parties	89	0	89
Total loans issued	**41 998**	**0**	**41 998**

In thousands of EUR		31 December 2023	
Fixed interest rate	Brutto	ECL	Netto
Shareholders	351	0	351
Intercompany loans	3 253	0	3 253
Other related parties	29	0	29
Total loans issued	**3 633**	**0**	**3 633**

In thousands of EUR		1 January 2023	
Fixed interest rate	Brutto	ECL	Netto
Shareholders	73	0	73
Intercompany loans	0	0	0
Other related parties	0	0	0
Total loans issued	**73**	**0**	**73**

The Company makes loans to its subsidiaries, shareholders and other related parties.

. For all loans originated, the Company assesses the probability of default based on an internal rating scale. The Company has used a 3-stage model and recorded an allowance of 0 thousand EUR as of December 31, 2024 (0 thousand EUR as of 31 December 2023 and 0 thousand EUR as of 1 January 2023).

In thousands of EUR	2024	2023
ECL as at 1 January of the period	0	0
Released due to use	0	0
Released without use	0	0
Creation	0	0
Total ECL as ar 31 December of the period	**0**	**0**

The risk of loans non-performace is classified as minimal, given that the ultimate credit risk is transferred to the level of the subsidiaries and primarily depends on the collection of rental payments from customers who settle their obligations on time and in full; as of the balance sheet date, the volume of outstanding receivables is negligible, as rent is invoiced on a monthly or quarterly basis and its collection is smooth and without any issues.

The fair value of the loans granted as at 31 December 2024 was same as its brutto value stated in tables above as the interests used for the loans provided by Log Sympatia Holding a.s. are provided at market discounts rate (same as the bonds interest rates = 7 % p.a.; 8 % p.a.; 9 % p.a.). This is applied also for the year ended 31 December 2023 and 1 January 2023.

Fair value measurements are categorized in level 3 of the fair value hierarchy.

The interests are about to be paid at the final maturity date.

All loans provided are classified as long-term.

16. CASH AND CASH EQUIVALENTS

In thousands of EUR	31 December 2024	31 December 2023	1 January 2023
Cash in bank and in hand	43	116	8
Total cash and cash equivalents	**43**	**116**	**8**

Company has three bank accounts denominated in EUR and CZK.

17. EQUITY

Share capital structure

In thousands of EUR	31 December 2024	31 December 2023	1 January 2023
Ordinary shares (pcs)	100	100	100
Ordinary shares (par value)	0,83	0,83	0,83
Total	**83**	**83**	**83**

Ordinary shares of Log Sympatia Holding a.s. have as at 31 December 2024 a par value of EUR 830 (as of 31 December 2023 value of EUR 830 and as od 1 January 2023 value of EUR 830).

Each share in the Company ranks pari passu in all respects with all other shares. The same rights are incorporated into all the Company's shares including the right to attend the General Meeting, to require and receive explanations of matters concerning the Company that are part of the agenda of the General Meeting, to submit proposals and counterproposals, and to receive a dividend and share in the liquidation surplus.

All of the issued shares have been fully paid up.

Other reserves

Other reserves contain balances related to:

- Translation reserve
- Capital contribution (36 300 thousands EUR as at 31 December 2024, 36 300 thousands. EUR as at 31 December 2023 and 36 300 thousands EUR as at 1 January 2023).

18. LOANS RECEIVED BY LOG SYMPATIA HOLDING A.S.

In thousands of EUR	31 December 2024	31 December 2023	1 January 2023
Shareholders	1 078	143	8
Intercompany loans	10 433	3 381	0
Total	**11 511**	**3 524**	**8**

The Company received loans within the LSH Group. The loans are interest-bearing and refer to other financing conditions that are set on market level. The interest rates related to intercompany loans are 7 % p.a.; 8 % p.a. and 9 % p.a. The interests are about to be paid at the final maturity date.

All loans received are classified as long-term.

19. ISSUED BONDS

The Company issued zero-bonds under Regulated Market of the Bratislava Stock Exchange.

There are the following bonds which have been publicly traded from 2024:

- LSH I.EUR 7 % 12/27 (ISIN: SK4000023255): Detail CP - Burza cenných papierov
- LSH II.EUR 8 % 12/27 (ISIN: SK4000023248): Detail CP - Burza cenných papierov
- LSH III.EUR 9% 12/27 (ISIN: SK4000023735): Detail CP - Burza cenných papierov.

In 2024, the Company issued new bonds with the following characteristics:

- LSH IV.EUR 9,5% 4/27 (ISIN: SK4000026530): Detail CP - Burza cenných papierov.

EUR	**LSH I.EUR 7 % 12/27**	**LSH II.EUR 8 % 12/27**	**LSH III.EUR 9% 12/27**	**LSH IV.EUR 9,5% 4/27**
ISIN	SK4000023255	SK4000023248	SK4000023735	SK4000026530
Abbreviation	2LOG001E	2LOG002E	2LOG003E	LogSymHol/ZERO CPN BD 20270401
Currency of denomination	EUR	EUR	EUR	EUR
Nominal value [EUR]	1,000.00	100 000,00	100 000,00	10 000,00
Interest rate [%]	0.0000	0,0000	0,0000	0,0000
Issuance date	06.06.2023	06.06.2023	06.09.2023	28.11.2024
First trading day	13.06.2024	13.06.2024	13.06.2024	02.12.2024
Maturity date	06.12.2027	06.12.2027	06.12.2027	01.04.2027
Currency of trading	EUR	EUR	EUR	EUR

The Company issued new bonds in 2024 LSH IV.EUR 9,5% 4/27 (ISIN: SK4000026530).

Issued Bonds as at 31 December 2024

LSH I.EUR 7 % 12/27 (ISIN: SK4000023255)

In thousands of EUR	Nominal value	Issue Price	Interest expense incl. Transaction costs	Nomanial interest rate	Effective interest rate	Carrying amount	Fair value
Issued on 6.6.2023	411	75 %	26	7 %	8,631 %	319	383
Issued on 13.6.2024	171	80 %	6	7 %	9,002 %	131	159
Total	**582**		**32**			**450**	**542**

LSH II.EUR 8 % 12/27 (ISIN: SK4000023248)

In thousands of EUR	Nominal value	Issue Price	Interest expense incl. Transaction costs	Nomanial interest rate	Effective interest rate	Carrying amount	Fair value
Issued on 6.6.2023	200	74 %	13	8 %	8,870 %	154	186
Total	**200**		**13**			**154**	**186**

LSH III.EUR 9% 12/27 (ISIN: SK4000023735)

In thousands of EUR	Nominal value	Issue Price	Interest expense incl. Transaction costs	Nomanial interest rate	Effective interest rate	Carrying amount	Fair value
Issued on 6.9.2023	1 600	69 %	118	9 %	10,540 %	1 175	1 491
Issued on 2.2.2024	800	72 %	55	9 %	10,775 %	583	746
Issued on 21.8.2024	1 400	75 %	36	9 %	9,378 %	1 064	1 305
Total	**3 800**		**209**			**2 822**	**3 470**

The Company issued new bonds in 2024: LSH IV.EUR 9,5% 4/27 (ISIN: SK4000026530)

In thousands of EUR	Nominal value	Issue Price	Interest expense incl. Transaction costs	Nomanial interest rate	Effective interest rate	Carrying amount	Fair value
Issued on 28.11.2024	34 680	81 %	238	9,5 %	9,090 %	28 268	32 856
Total	**34 680**		**238**			**28 268**	**32 856**

<u>Issued Bonds as at 31 December 2023</u>

LSH I.EUR 7 % 12/27 (ISIN: SK4000023255)

In thousands of EUR	Nominal value	Issue Price	Interest expense incl. Transaction costs	Nomanial interest rate	Effective interest rate	Carrying amount	Fair value
Issued on 6.6.2023	411	75 %	14	7 %	8,631 %	293	354
	411		**14**			**293**	**354**

LSH II.EUR 8 % 12/27 (ISIN: SK4000023248)

In thousands of EUR	Nominal value	Issue Price	Interest expense incl. Transaction costs	Nomanial interest rate	Effective interest rate	Carrying amount	Fair value
Issued on 6.6.2023	200	74 %	7	8 %	8,870 %	141	172
	200		**7**			**141**	**172**

LSH III.EUR 9% 12/27 (ISIN: SK4000023735)

In thousands of EUR	Nominal value	Issue Price	Interest expense incl. Transaction costs	Nomanial interest rate	Effective interest rate	Carrying amount	Fair value
Issued on 6.9.2023	1 600	69 %	35	9 %	10,540 %	1 057	1 376
	1 600		**35**			**1 057**	**1 376**

There were no issued bonds as at 1 January 2023.

20. RELATED PARTY TRANSACTIONS

An overview of the LSH Group is stated in Note 14.

Related party loan issued are disclosed in Note 16, related party interest income is disclosed in Note 11.

Related party loan received are disclosed in Note 19, related party interest expense are disclosed in Note 11.

Other details are disclosed in Report on Relations that is attached in consolidated annual financial report.

All transactions between related parties are provided for a remuneration being at arm’s length.

20.1 ISSUED GUARANTEES

As at the date of these Financial Statements the following guarantees were registered:

Guaranty issued for	Guaranty issued in favour of	Ground
Log Sympatia Holding a.s.	Zagrebačka banka d.o.o., OTP banka d.o.o.	Financial guarantee contracts

20.2 PLEDGES

As at the date of these Financial Statements the assets in the following companies are pledged:

Company name	Pledge in favour of	Property specification	Property amount	Loan amount
Log Expert One d.o.o.	OTP banka d.o.o.	Land plot and building DC1, DC2, DC3 in Velika Gorica, Croatia	88 300 000	51 500 000
Log Expert Two d.o.o.	Zagrebačka banka d.o.o.	Land plot and building DC1, DC2, in Donja Zdencina, Croatia	78 700 000	48 000 000
Log Expert Three d.o.o.	Zagrebačka banka d.o.o.	Land plot and building DC1 in Kukuljanovo, Croatia	21 900 000	15 000 000
Log Expert Four d.o.o.	Zagrebačka banka d.o.o.	Land plot and biulding DC4 in Velika Gorica, Croatia	43 900 000	29 950 000
Log Expert Seven d.o.o.	EXIMBANKA a.s.	Land plot in Donja Zdencina, Croatia	3 880 000	2 716 000
Log Expert Ten d.o.o.	OTP banka d.o.o.	Land plot and building DC5 and DC6 in Velika Gorica, Croatia	24 640 000	52 900 000
Log One d.o.o.	OTP banka d.o.o.	Land plot and building DC1 in Brnik, Ljubljana, Slovenia	39 100 000	25 500 000
Log Two d.o.o.	EXIMBANKA a.s.	Land plot in Brnik, Ljubljana, Slovenia	1 890 000	1 323 000

20.3 KEY MANAGEMENT COMPENSATIONS AND MANAGEMENT REMUNARATION

Management is of the opinion that the key management of the Company comprises the executive and non-executive directors of Log Sympatia Holding a.s. These persons have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. As at December 31, 2024, key management comprised of 5 people (2023: 5). Key management personnel in 2024 and 2023 manages the Group from shareholder level.

21. FINANCIAL RISK MANAGEMENT

The Company's operations are exposed to financial risks, which are primarily dependent on the activities of the LSH Group:

Currency risk

Currency risk is not relevant. The Company's transactions are mainly in EUR, the number and amount of Company´s transactions in CZK is insignificant.

Interest rate risk

Interest rate risk is mitigated by fixed interest rates for intercompany loans, borrowings and issued bonds in the Company.

In general, the Company's objective for interest rate risk management is to reduce interest-rate risk through a combination of financial instruments, which lock in interest rates on debt and by matching a proportion of floating rate assets with floating rate liabilities (those are not applied in Company´s balance sheet).

Credit risk

Cash fund is deposited by a creditable bank. The Company reports any material trade or other receivables. The Company has only one significant receivable generated from the loan provided to the LSH Group.

Credit risk is managed on a LSH Group basis and the LSH Group has no significant concentrations of credit risk. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed periodically by the directors.

The credit risk is primarily assessed in connection with the tenants whom the Group is leasing space in its buildings. Prior to entering the lease contract, the tenant's credit worthiness is assessed with help of external credit rating reports. Apart from this the Group is performing its own financial analysis of the tenant which is then performed on a regular basis in the future as part of the credit monitoring process.

The lease contracts with tenants typically contain requirement for either a bank or parent company guarantee securing rental payments. Alternatively, a rental deposit might be in place.

The LSH Group would consider a significant increase of the credit risk of the counterparty if it was overdue with a payment for more than 3 months. If the receivable was not paid in 6 months, it would be considered as a default of the counterparty.

The LSH Group markets and sells to a relatively small number of customers with individually large value transactions. The LSH Group performs credit checks on all customers (other than those paying in advance) in order to assess their creditworthiness and ability to pay its invoices as they become due. As such, the balance of accounts receivable not owed by large companies is still deemed by the directors to be of low risk of default due to the nature of the checks performed on them. Therefore if relevant a relatively small allowance against these receivables is in place to cover this low risk of default.

The LSH Group generally does not require collateral on accounts receivable, as many of its customers are large, well-established companies. The Group has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographic area. No credit limits were exceeded during the reporting period and the directors do not expect any significant losses from non-performance by these counterparties, other than those already provided for.

Liquidity risk

Liquidity risk is limited. The Company reports no significant liabilities except issued bonds as of 31 December 2024. The reported Trade and other payables relates mainly to VAT, which was paid in January.

Liquidity risk is connected to credit risk and depends on ability to receive interests from the loan provided to the companies within LSH Group. Collections of these interests or other cash funds from the LSH Group are linked to payments of interests from issued bonds. We don't expect any lack of cash to fill our obligations to investors.

Market risk

Market risk is immaterial, since the development of market values of financial instruments does not have a direct impact on the valuation of financial instruments reported in the financial statement.

The responsibility for monitoring financial risk management is on LSH Group’s level. The policies are implemented by the LSH Group’s managing parties. The LSH Group has a treasury policy and procedures that set out specific guidelines to manage such market risks as currency risk, interest rate risk, credit risk and liquidity risk, and also sets out circumstances where it would be appropriate to use financial instruments to manage these. When assessing hedging effectiveness, the LSH Group uses qualitative and quantitative methods.

LSH Group’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to maintain sufficient financial resources to mitigate against risks and unforeseen events.

22. AUDIT REMUNERATION

Audit remuneration

The Company was for the years ended 31 December 2024 and 31 December 2023 and 31 December 2022 audited by BDO Audit, s.r.o. (“BDO”). The following amounts were charged by professional advisors and auditors:

In thousands of EUR	2024	2023	2022
Audit (BDO)	7	5	0
Other (BDO)	0	6	0
Total	**7**	**11**	**0**

23. SUBSEQUENT EVENTS

The impact of events that occurred between the balance sheet date and the date of the Separate Financial Statements preparation is recognized in the Separate Financial Statements if these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events reflecting the facts occurring after the balance sheet date happened between the balance sheet date and the date of the Separate Financial Statements preparation the consequences of these events are disclosed in the notes to the Financial Statements but not recognized in the Financial Statements.

On 5 March 2025 the Company issued bonds under ISIN: SK4000026951 - LogSymHol/ZERO CPN BD 20271201 with following characteristics:

EUR	
ISIN	SK4000026951
Abbreviation	LogSymHol/ZERO CPN BD 20271201
Currency of denomination	EUR
Nominal value [EUR]	10,000.00
Interest rate [%]	0.0000
Issuance date	05.03.2025
First trading day	05.03.2025
Maturity date	01.12.2027
Currency of trading	EUR

Based on external bank financing agreements of individual with the relevant banking entities, the equity of the subsidiary is supposed to be positive. Log Sympatia Holding a.s. therefore paid a other capital funds contribution to Expert One d.o.o. in the amount of EUR 1,500 thousand on 3 January 2025. Other capital funds contribution was also paid to LOG ONE d.o.o. in April 2025 in the amount of EUR 1,800 thousand. Both other capital funds contributions were recognized with the companies on the basis of general meetings held in December 2024.

No event materially affecting the financial position of the Company or LSH Group occurred between the balance sheet date and the date of preparation of the Financial Statements. No other events have occurred after the end of the reporting period that would require adjusting the amounts recognized and disclosures made in the separate Financial Statements.

24. MANAGEMENT DECLARATION

The Company's Board of Directors declares that, according to the best of his knowledge, the Separate Financial Statements for the year ended 31 December 2024 of Log Sympatia Holding a.s. gives a true and fair view of the financial position, business activities and financial performance of the Company and of the outlook for the future development of its financial position, business activities and financial performance.

Brno, 30. 4. 2025

....	....
Branislav Habán	Adrian Stanisav
Chairman of the Board of Directors	Member of the Board of Directors
Log Sympatia Holding a.s.	Log Sympatia Holding a.s.

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This is only the translation of the original Czech version of the Independent Auditor's Report. Only the Czech version presented together with the accompanying audited financial statements is legally binding.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Log Sympatia Holding a.s.

Opinion

We have audited the accompanying financial statements of Log Sympatia Holding a.s., with its headquarters at Příkop 843/4, Zábrdovice, 602 00 Brno, IC (Registration Number) 086 59 630 (hereafter the "Company") prepared in accordance with IFRS as adopted by the European Union, which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 1 January 2024 to 31 December 2024 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and its cash flows for the period from 1 January 2024 to 31 December 2024, in accordance with IFRS as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under these regulations 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 Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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Key audit matters	How the matter was addressed in the audit
<u>First-time adoption of IFRS as adopted by the European Union</u> The transition to reporting under IFRS as adopted by the European Union is a complex process that involves, in particular: - determining the appropriate accounting policies in accordance with EU IFRS for the year ending 31 December 2024 and retrospective application; - significant assumptions and judgements in the application of accounting policies as well as in the remeasurement of certain accounts to comply with EU IFRS; - the preparation of the opening statement of financial position as at 1 January 2023 and comparative information; - preparing the relevant disclosures for the transition to EU IFRS, including the impact on the financial statements. Given the complexity of the first application of EU IFRS, which resulted in, among other things, the preparation of comparative information, this area is considered a key audit matter.	We understood the process of preparing the financial statements and evaluated the design of the relevant controls. We received an analysis of the impact of the transition to EU IFRS at 1 January 2023, including adjustments to certain items in the financial statements, such as investment property and bonds. These adjustments have also led to the preparation and preparation of comparative information as at 1 January 2023 and for the year ended 31 December 2023. We discussed with management the preparation for the initial application of EU IFRS. With the assistance of internal specialists, we assessed the accuracy and completeness of the material impacts of the initial application of EU IFRS and the appropriateness of the accounting policies and procedures used. We assessed the completeness of the presentation and disclosures in the financial statements in relation to the requirements of EU IFRS and assessed the adequacy of the disclosures in note 4. First-time Adoption of International Financial Reporting Standards and in Note 5. Significant judgements, estimates and assumptions.

Other information included in the Annual Report

In compliance with Section 2 (b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Company's Statutory Body is responsible for this other information.

The Company does not issue an annual report because it intends to include the relevant information in the consolidated annual report. For this reason, our comments on other information are not part of this auditor's report.

Responsibilities of the Company's Statutory and Supervisory Body and Audit Committee for the financial statements

The Company's Statutory Body is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Statutory Body 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, the Statutory Body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Statutory Body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Body and Audit Committee is 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 opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations 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 the above regulations, 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 the Statutory Body.

- Conclude on the appropriateness of the Statutory Body'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 the Company's Statutory and Supervisory Body and Audit Committee 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.

We are also required to provide the Audit Committee with a statement that we have complied with the relevant ethical requirements relating to independence and to inform it of any relationships and other matters that may reasonably be expected to affect our independence and any related arrangements.

Furthermore, it is our responsibility to select, based on the matters we have reported to the Statutory Body and the Audit Committee, those matters that are most significant from the point of view of the audit of the financial statements for the current year and that therefore constitute key audit matters, and to describe those matters in our report. This obligation does not apply where legislation prohibits disclosure of such matters or where, in a very exceptional case, we consider that we should not report on the matter in our report because the potential negative impact of disclosure could reasonably be expected to outweigh the public interest benefits.

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Report on other regulatory requirements

In accordance with Article 10(2) of Regulation (EU) No 537/2014 of the European Parliament and of the Council, we include in our independent auditor's report the following information required in addition to International Standards on Auditing:

Appointment of the auditor and duration of the audit

We were appointed as the Company's auditor by the Company's General Meeting of Shareholders on 23 December 2024. We have been the Company's auditor continuously for the third year.

Compliance with the supplemental report to the Audit Committee

We confirm that our opinion on the financial statements set out in this report is consistent with our supplementary report to the Company's Audit Committee, which we issued on 14 May 2025 in accordance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

Provision of non-audit services

We declare that no prohibited services referred to in Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council have been provided.

We have not provided any services other than statutory audit services to the Company or the companies it controls that are not disclosed in the Company's annual financial report.

Report on Compliance with the ESEF Regulation

We have undertaken a reasonable assurance engagement on the compliance of all financial statements included in the annual report with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("the ESEF Regulation"), related to the financial statements.

Responsibilities of the Statutory Body

The Company's statutory body is responsible for the preparation of financial statements that comply with the ESEF Regulation. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF Regulation;
- the preparation of all financial statements included in the annual report in the applicable XHTML format.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements included in the annual report comply, in all material respects, with the ESEF Regulation based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000").

The nature, timing and extent of procedures selected depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but is not a guarantee that an assurance

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engagement conducted in accordance with the above standard will always detect any existing material non-compliance with the ESEF Regulation.

Our selected procedures included:

- obtaining an understanding of the requirements of the ESEF Regulation;
- obtaining an understanding of the Company's internal control relevant to the application of the ESEF Regulation;
- identifying and assessing the risks of material non-compliance with the ESEF Regulation, whether due to fraud or error; and
- based on the above, designing and performing procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The objective of our procedures was to evaluate whether:

- the financial statements included in the annual report were prepared in the applicable XHTML format.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Company's financial statements for the year ended 31 December 2024 included in the annual report are, in all material respects, in compliance with the ESEF Regulation.

Statutory auditor responsible for the engagement

Jana Hubáčková is the statutory auditor responsible for the audit of the financial statements of the Company as at 31 December 2024, which forms the basis of this independent auditor's report.

In Prague, on 14 May 2025

Audit firm:	Engagement Partner:
BDO Audit s. r. o.	Jana Hubáčková
Certificate No. 018	Certificate No. 2501

REPORT ON RELATIONS

This Report was prepared in accordance with Section 82 Corporation Act No. 90/2012 Coll. The Report describes relations with related parties, relations between the controlling entity and the controlled entity and between the controlled entity and other entities controlled by the same controlling entity . These relations are described in accordance with the provisions of section 504 Civil Code No. 89/2012 Coll. concerning the business secret.

Structure of relations

Controlling entities

Name of the company	Registered office	Business share
Log Expert Development s.r.l.	23 Lorena Street, room 2, ap.11, 300001 Timisoara, Romania, Registration number: J35/1135/2011, Identification number: 28470916	50 %
Sympatia Projects, s. r. o.	Vajnorská 21 A, 831 03 Bratislava - Nové Mesto, Slovenia, Registration number: 54 246 890	40 %
MB Cons Solutions s.r.l.	16 Fargas Street, Dumbravita Village, Timis Country, Romania, Registration number: J35/2279/2015, Identification number: 35220793	10 %

The extent of influence of controlling entities on the Controlled entity corresponds to business share stated hereinbefore.

Shareholders of a Company disposing of voting rights for the purpose of influencing, controlling or uniformly managing the corporation. These shareholders shall perform their obligations arising therefrom jointly and severally.

Controlled entity

Name of the company	Registered office	Country
Log Sympatia Holding a.s.	Příkop 843/4, Zábrdovice, 602 00 Brno, Identification number: 08659630	Czech Republic

Other entities controlled by the same controlling entity – related parties

Other companies controlled directly by Log Sympatia Holding a.s. are as following:

Name of the company	Business sare
LOG EXPERT ONE d.o.o	100 % subsidiary of Log Sympatia Holding a.s.
LOG EXPERT TWO d.o.o.	100 % subsidiary of Log Sympatia Holding a.s.
LOG EXPERT THREE d.o.o.	100 % subsidiary of Log Sympatia Holding a.s.
LOG EXPERT FOUR d.o.o.	100 % subsidiary of Log Sympatia Holding a.s.
LOG EXPERT SEVEN d.o.o.	100 % subsidiary of Log Sympatia Holding a.s.

LOG EXPERT EIGHT d.o.o.	100 % subsidiary of Log Sympatia Holding a.s.
LOG EXPERT TEN d.o.o.	100 % subsidiary of Log Sympatia Holding a.s.
LOG ONE d.o.o.	100 % subsidiary of Log Sympatia Holding a.s.
LOG TWO d.o.o.	100 % subsidiary of Log Sympatia Holding a.s.

Other companies controlled directly or indirectly by the same controlling entities are as following:

Name of the company	Business sare
LOG EXPERT SIX d.o.o	100 % subsidiary of the same shareholders as Log Sympatia Holding a.s.
LOG EXPERT NINE d.o.o.	100 % subsidiary of Log Expert Development s.r.l.
LOG EXPERT ELEVEN d.o.o.	100 % subsidiary of Log Expert Development s.r.l.

Role of the Controlled entity, ways and means of control

The Controlled entity is an object of control by controlling entities. The Controlled entity is the Controlling entity of other entity.

Control of the Company is exercised through voting rights of controlling entities performed at the General Meeting.

Mutual Contracts within the Group

Related party	Subject of the contract	Date
LOANS RECEIVED BY LOG SYMPATIA HOLDING A.S. (INCL. SET-OFF AGREEMENTS)		
Log Sympatia Holding a.s. - Log One d.o.o.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	29. 11. 2023
Log Sympatia Holding a.s. - Log Expert Development S.R.L.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	9. 2. 2024
Log Sympatia Holding a.s. - Log Expert Development S.R.L.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	27. 3. 2024
Log Sympatia Holding a.s. - Log Expert Development S.R.L.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	9. 5. 2024
Log Sympatia Holding a.s. - Log Expert Development S.R.L.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	22. 7. 2024
Log Sympatia Holding a.s. - Log Expert Two d.o.o.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	1. 2. 2024

Log Sympatia Holding a.s. - Log Expert Two d.o.o.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	1. 3. 2024
Log Sympatia Holding a.s. - Log Expert Two d.o.o.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	14. 3. 2024
Log Sympatia Holding a.s. - Log Expert Two d.o.o.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	12. 6.2 024
Log Sympatia Holding a.s. – MB CONS SOLUTIONS S.R.L.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	27. 4. 2024
Log Sympatia Holding a.s. – MB CONS SOLUTIONS S.R.L.	Loan contract (Loan recieved by Log Sympatia Holding a.s.)	9. 5. 2024

Related party	Subject of the contract	Date
LOANS RECEIVED BY LOG SYMPATIA HOLDING A.S. (INCL. SET-OFF AGREEMENTS)		
Log Sympatia Holding a.s. - Log Expert One d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	3.11.2023
Log Sympatia Holding a.s. - Log Expert One d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	16.11.2023
Log Sympatia Holding a.s. - Log Expert One d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	24.11.2023
Log Sympatia Holding a.s. - Log Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	27. 3. 2024
Log Sympatia Holding a.s. - Log Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	11. 6. 2024
Log Sympatia Holding a.s. - Log Expert Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	27. 6. 2024
Log Sympatia Holding a.s. - Log Expert Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	22. 7. 2024
Log Sympatia Holding a.s. - Log Expert Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	26. 9. 2024
Log Sympatia Holding a.s. - Log Expert Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	26. 9. 2024
Log Sympatia Holding a.s. - Log Expert Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	29. 11. 2024
Log Sympatia Holding a.s. - Log Expert Three d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	3. 7. 2024
Log Sympatia Holding a.s. - Log Expert Three d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	31. 10. 2024

Related party	Subject of the contract	Date
LOANS RECEIVED BY LOG SYMPATIA HOLDING A.S. (INCL. SET-OFF AGREEMENTS)		
Log Sympatia Holding a.s. - Log Expert Three d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	4. 11. 2024
Log Sympatia Holding a.s. - Log Expert Three d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	6. 11. 2024
Log Sympatia Holding a.s. - Log Expert Three d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	14. 11. 2024
Log Sympatia Holding a.s. - Log Expert Three d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	29. 11. 2024
Log Sympatia Holding a.s. - Log Expert Four d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	22. 12. 2023
Log Sympatia Holding a.s. - Log Expert Four d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	1. 4. 2024
Log Sympatia Holding a.s. - Log Expert Four d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	1. 9. 2024
Log Sympatia Holding a.s. - Log Expert Four d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	23. 11. 2024
Log Sympatia Holding a.s. - Log Expert Seven d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	12. 12. 2024
Log Sympatia Holding a.s. - Log Expert Ten d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	29. 11. 2024
Log Sympatia Holding a.s. - Log One d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	9. 1. 2024
Log Sympatia Holding a.s. - Log One d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	5. 6. 2024
Log Sympatia Holding a.s. - Log One d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	9. 9. 2024
Log Sympatia Holding a.s. - Log One d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	18. 11. 2024
Log Sympatia Holding a.s. - Log One d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	29. 11. 2024
Log Sympatia Holding a.s. - Log One d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	31. 12. 2024
Log Sympatia Holding a.s. - Log Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	27. 3. 2024
Log Sympatia Holding a.s. - Log Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	1. 4. 2024
Log Sympatia Holding a.s. - Log Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	11. 6. 2024

Related party	Subject of the contract	Date
LOANS RECEIVED BY LOG SYMPATIA HOLDING A.S. (INCL. SET-OFF AGREEMENTS)		
Log Sympatia Holding a.s. - Log Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	27. 6. 2024
Log Sympatia Holding a.s. - Log Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	22. 7. 2024
Log Sympatia Holding a.s. - Log Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	26. 9. 2024
Log Sympatia Holding a.s. - Log Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	3. 11. 2024
Log Sympatia Holding a.s. - Log Two d.o.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	8. 12. 2024
Log Sympatia Holding a.s. - Log Expert Develompment S.R.L.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	30. 10. 2024
Log Sympatia Holding a.s. - Log Expert Develompment S.R.L.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	9. 12. 2024
Log Sympatia Holding a.s. – MB CONS SOLUTIONS S.R.L.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	9. 12. 2024
Log Sympatia Holding a.s. – Sympatia Projects s.r.o.	Loan contract (Loan provided by Log Sympatia Holding a.s.)	9. 12. 2024

No detriment incurred to the Controlled entity on the basis of contracts stated above.

Legal acts made at the instigation of or in the interest of the Controlling entity or other entities controlled by the Controlling entity

During the reporting period, the company did not make any legal acts or other measures in the interest, or at the instigation of, the Controlling entity or other entities controlled by the Controlling entity, which would involve assets exceeding in value 10 % of the company’s equity reported in the previous year´s Separate Financial Statements as at 31 December 2024 except of transactions resulting from contracts stated in section III above.

Advantages and disadvantages of relations within the Group

Advantages resulting from relations with related parties and the Controlling entity outweigh disadvantages.

No risks have arisen to the company from the relations within the Group.

Brno, 31 March 2025

....	....
Branislav Habán	Adrian Stanisav
Chairman of the Board of Directors	Member of the Board of Directors
Log Sympatia Holding a.s.	Log Sympatia Holding a.s.