Ergopack LLC

Financial Statements
for the year ended 31 December 2024

Contents

Independent Auditors' Report

To the Participant of Limited Liability Company "Ergopack"

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Limited Liability Company "Ergopack" (the "Company"), which comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Law of Ukraine "*On accounting and financial statements in Ukraine*" on preparation of the financial statements.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 (b) of the financial statements, which describes the negative effects on the Company's operations of the military invasion launched by the Russian Federation on the territory of Ukraine on 24 February 2022. As also stated in Note 1 (b), these events or conditions, along with other matters as set forth in that Note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional 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.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report we have determined that there are no other key audit matters to communicate in our report.

Other Matter relating to comparative information

The financial statements of the Company as at and for the year ended 31 December 2023, excluding the adjustments described in Note 26 to the financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on 9 February 2024.

As part of our audit of the financial statements as at and for the year ended 31 December 2024, we audited the adjustments described in Note 26 to the financial statements that were applied to restate the comparative information. We were not engaged to audit, review, or apply any procedures to the comparative information, other than with respect to the adjustments described in Note 26 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on comparative information. However, in our opinion, the adjustments described in Note 26 to the financial statements are appropriate and have been properly applied

Other Information

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the requirements of the Law of Ukraine "*On accounting and financial statements in Ukraine*" on preparation of the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Pursuant to the Article 14(4) of the Law of Ukraine on "*Audit of Financial Statements and the Auditing*" we provide the following information in our Independent Auditors' Report in addition to ISAs' requirements.

Appointment of the Auditor and Period of Engagement

We were appointed by the Audit Committee of the Company on 4 June 2024 to audit the financial statements of the Company as at and for the year ended 31 December 2024. Our total uninterrupted period of audit engagements is one year.

Provision of Non-audit Services and Disclosure of Fee-related Information

We declare that no prohibited non-audit services referred to in the Article 6(4) of the Law of Ukraine "*On Audit of Financial Statements and Auditing*" were provided.

For the period to which our statutory audit relates, we and other KPMG network firms have not provided any other services to the Company which are not disclosed in the Management Report or in the financial statements.

Additional Report to the Audit Committee

We confirm that our auditors' report is consistent with the additional report to the Audit Committee.

The engagement partner on the audit resulting in this independent auditors' report is:

Roman Koutsak
Registration No. 101439 in the Register of Auditors and Auditing Entities
Deputy Director

PJSC "KPMG Audit"

11 September 2025

Kyiv, Ukraine

Statement of Financial Position

(in thousands of Ukrainian hryvnias)	Note	As at 31.12.2024	As at 31.12.2023 (restated)
Tangible Fixed Assets	5	195,979	204,163
Intangible Fixed Assets	6	22,455	25,756
Rights of use	7	16,334	22,848
Non-current assets		**234,768**	**252,767**
Inventories	8	227,029	208,068
Advances provided		25,983	47,828
Income tax prepayments		2,671	-
Tax receivable		13,188	337
Trade receivables	9	332,953	318,688
Cash and cash equivalents	10	153,790	150,330
Prepayments and accrued income		1,957	1,364
Current assets		**757,571**	**726,615**
Total assets		**992,339**	**979,382**
Statutory capital	11	736,491	736,491
Reserves	12	68,540	67,968
Carried forward results		49,113	28,118
Equity		**854,144**	**832,577**
Long-term lease liabilities	7	16,396	22,386
Deferred tax liability	22	4,459	3,055
Non-current liabilities		**20,855**	**25,441**
Trade payables	13	105,198	102,667
Other payables	13	3,898	3,462
Other tax liabilities	14	524	5,836
Income tax liabilities		-	3,005
Short-term lease liabilities	7	1,261	1,540
Provision for employee benefits	15	6,459	4,854
Current liabilities		**117,340**	**121,364**
Total Equity and Liabilities		**992,339**	**979,382**

11.09.2025

Tetiana Zolotarevych
Head of Finance, Ergopack LLC

The statement of Financial Position is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 13 to45.

Statement of profit or loss and other comprehensive income

(in thousands of Ukrainian hryvnias)	Note	2024	2023 (restated)
Revenue	16	1,010,860	1,035,828
Cost of sales	17	(715,721)	(712,848)
Gross operating profit		**295,139**	**322,980**
Other operating income		139	453
Administrative expenses	18	(51,968)	(40,244)
Distribution expenses	19	(223,462)	(179,187)
Impairment loss on trade receivables		(6,231)	(5,425)
Operational foreign exchange income		9,198	1,179
Operating profit		**22,815**	**99,756**
Finance income	21	8,664	5,618
Finance costs	21	(2,081)	(1,814)
Profit before tax		**29,398**	**103,560**
Income tax	22	(8,403)	(18,104)
Net profit		**20,995**	**85,456**
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods			
Revaluation of land and buildings		(44)	8,426
Related income tax		8	(1,517)
Other comprehensive income		**(36)**	**6,909**
Total comprehensive income		**20,959**	**92,365**

11.09.2025

Tetiana Zolotarevych
Head of finance, Ergopack LLC

The statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 13 to 45.

Statement of cash flows

(in thousands of Ukrainian hryvnias)	Note	2024	2023 (restated)
Profit before tax		**29,398**	**103,560**
Adjustments:			
Depreciation and amortization		27,118	26,165
Share based payments arrangements		608	278
Interest expense and other related expenses	21	867	617
Gain from fixed assets sale		(599)	(3)
Write-down of inventories		(204)	2,133
Expected credit losses of trade receivables		5,665	5,426
Interest income and other related income	21	(8,664)	(5,618)
Foreign exchange differences		(9,198)	(1,439)
Operational inflows before working capital		**44,991**	**131,119**
Plus/minus adjustments for changes in working capital accounts			
Decrease / (increase) in inventories		(18,758)	8,081
Decrease / (increase) in receivables		7,151	(63,794)
(Decrease) / increase in liabilities (other than to banks)		1,794	(51,903)
(Decrease) / increase in tax assets and liabilities		(15,908)	12,452
Interest and other related expenses, paid		(873)	(617)
Income tax paid		(12,666)	(22,078)
Net inflows from operating activities		**5,731**	**13,260**
Cash flows from investment activities			
Acquisition of tangible and intangible assets		(15,223)	(175)
Proceeds from sale of tangible and intangible assets		1,917	15
Interest received		8,664	5,618
Net (outflows) / inflows from investment activities		**(4,642)**	**5,458**

The statement of cash flows is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 13 to 45.

(in thousands of Ukrainian hryvnias)	**Note**	**2024**	**2023 (restated)**
Cash flows from financing activities			
Payment of lease liabilities	7	(1,565)	(2,488)
Net outflows from financial activities		**(1,565)**	**(2,488)**
Effect of foreign exchange differences on cash		3,936	1,398
Net increase in cash and cash equivalents for the period		**3,460**	**17,628**
Cash and cash equivalents, beginning of the period		**150,330**	**132,702**
Cash and cash equivalents, end of the period		**153,790**	**150,330**

11.09.2025

Tetiana Zolotarevych

Head of finance, Ergopack LLC

The statement of cash flows is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 13 to 45.

Statement of changes in Company's equity

(in thousands of Ukrainian hryvnias)	Attributable to equity holders of the Company					
	Statutory capital	Revaluation Reserves	Reserves Special	Other Reserves	Carried forward results	Total
Balances as at 31 December 2022	736,491	57,779	-	3,002	(57,338)	739,934
Comprehensive income						
Net profit for the year	-	-	-	-	85,456	**85,456**
Other comprehensive income (loss)						
Revaluation of land and buildings	-	8,426	-	-	-	**8,426**
Related income tax	-	(1,517)	-	-	-	**(1,517)**
Total comprehensive income for the year	-	**6,909**	-	-	**85,456**	**92,365**
Transactions with shareholders						
Equity-settled share-based payments	-	-	278	-	-	**278**
Total transactions with shareholders	-	-	**278**	-	-	**278**
Balances as at 31 December 2023	**736,491**	**64,688**	**278**	**3,002**	**28,118**	**832,577**

The statement of Changes in Company's equity is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 13 to 45.

(in thousands of Ukrainian hryvnias)

	Attributable to equity holders of the Company					
	Statutory capital	**Revaluation Reserves**	**Reserves Special**	**Other Reserves**	**Carried forward Results**	**Total**
Balances as at 31 December 2023	**736,491**	**64,688**	**278**	**3,002**	**28,118**	**832,577**
Comprehensive income						
Net profit for the year	-	-	-	-	20,995	**20,995**
Other comprehensive income (loss)						
Revaluation of land and buildings	-	(44)	-	-	-	**(44)**
Related income tax	-	8	-	-	-	**8**
Total comprehensive income (loss) for the year	-	(36)	-	-	**20,995**	**20,959**
Transactions with shareholders						
Equity-settled share-based payments	-	-	608	-	-	**608**
Total transactions with shareholders	-	-	**608**	-	-	**608**
Balances as at 31 December 2024	**736,491**	**64,652**	**886**	**3,002**	**49,113**	**854,144**

11.09.2025

Tetiana Zolotarevych
Head of finance, Ergopack LLC

The statement of Changes in Company's equity is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 13 to 45.

1. Background

(a) Organisation and operations

These financial statements are prepared by Ergopack LLC involved in the production and sale of household goods.

Ergopack LLC was incorporated in Ukraine on 20 February 2001 as a limited liability company. The head office is located at 36, the Sobornosti str. Boyarka town, 08154, Kyiv region, Ukraine.

Ivybridge Ventures Limited (Cyprus) owns 100% of share capital of Ergopack LLC.

Gr. Sarantis SA Company owns 100% of share capital of Ivybridge Ventures Limited (Cyprus).

Gr. Sarantis SA has the legal form of a sociétéanonyme and is the parent company of the Gr. Sarantis SA Company.

The Gr. Sarantis SA domicile is located at 26 Amarousiou – Chalandriou Street, Marousi Greece, The Company's central offices are also located at the same address. The shares of Gr. Sarantis SA are listed on the main market of the Athens Exchange.

Ergopack LLC principal activity is production of household consumer products at a plant located in Kaniv, Ukraine, and their distribution. These products are sold in Ukraine and abroad. Raw materials are supplied both by domestic companies and by foreign companies. Major customers are supermarkets, wholesale traders, private entrepreneurs.

The number of personnel as of 31 December 2024 and 2023 is 415 and 462 respectively.

(b) Ukrainian business environment and Going concern

The Company is exposed to the economic and financial markets of Ukraine, which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Ukraine.

On 24 February 2022, the Russian Federation launched a full-scale military invasion to Ukraine. The ongoing war has led to significant civilian casualties, massive dislocation of the population, damage to infrastructure, electricity outages, and overall significant disruption to economic activity in Ukraine. This had a detrimental and long-lasting impact on the political and business environment in Ukraine, including on the ability of many entities to continue business as usual. In response to the military invasion, the President of Ukraine introduced the state of martial law, which is currently extended until 5 November 2025.

In 2023 and 2024, active military actions remain intense, albeit concentrated in eastern and southern Ukraine, with the Autonomous Republic of Crimea and the major parts of Donetsk, Luhansk, Kherson, Zaporizhzhia regions still under occupation. In addition, since October 2022, the Russian Federation started missile and drone attacks that impacted power grid as well as other critical civilian infrastructure all over Ukraine.

In January 2025, the National Bank of Ukraine (the "NBU") worsened its real GDP growth forecast for 2025 to 3.6%. Annual inflation increased to 8.4% in 2025.This was accompanied by the decrease of key policy rate of the NBU from 15% to 14,5%. However, there is an anticipation of a softening in growth due to the ongoing war. Meanwhile, the fiscal balance continues to show a large deficit resulting from the expenditures related to defence and national security. The overall outlook is subject to significant risks, primarily stemming from the heightened uncertainty resulting from war and potential delays or shortfalls in external financing.

With the beginning of war, the NBU introduced certain administrative restrictions on currency conversion transactions and capital movements, including restrictions on interest and dividend payments abroad. Due to these restrictions the Ukrainian hryvnia (the "UAH") lacks exchangeability and is not freely convertible.

After invasion, all global rating agencies lowered Ukraine's ratings: Fitch - to RD, Moody's – to Ca with a stable outlook, and S&P – to SD.

In the current circumstances, the Company continues its operating activities. In conjunction with its going concern assessment, management concluded that it is reasonably possible that the Company will be able to continue as a going concern based on the following considerations, among other things:

- The Company has sufficient human resources to continue to operate in the foreseeable future.
- The Company has adequate financial resources to finance its operating activities during the period of military activities and in the foreseeable future. The major sources of financing are expected to be cash balances and new cash proceeds to be generated from operations.
- The Company's major assets, such as property and equipment and inventories, are not damaged and are safeguarded as at the date of these financial statements are authorized for issue.
- As at the date of these financial statements, the Company's management and shareholders do not intend to suspend or liquidate the Company's activities in Ukraine.
- The parent company GR. Sarantis S.A. from 27 January 2025 expressed its intent to continue to support the Company to enable it to operate within 12 months from the date such expression.

As at 31 December 2024, the Company is at a sufficient level of liquidity and financial stability. Management staff notes that all payments to employees are made by the Company in full and within the timeframe provided by law.

The management is strongly sure that the Company will continue to receive revenue from production and sales of goods provided by the company, as there is already obvious progress.

However, prolongation of military activities may result in still a danger of missile attacks on critically important objects of the country's energy, transport and/or business infrastructure. Also, it may result in prolongation of existing or additional administrative restrictions from the NBU that may pose a threat to the operational activities and in further disruption of supply chains and financing for both the Company and its customers.

As a result, these events and conditions, including possible future development of military activities in Ukraine and their duration, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis and do not include any adjustments that would be necessary if the Company was unable to continue as a going concern.

Although the Company's management believes that it is taking all necessary measures to maintain the stability of the Company's business in a state of war, the unpredictability of further development of hostilities and their impact on the business environment, together with risks of destruction and damage due to hostilities, may impact on the results and financial condition of the Company in a way that is currently unpredictable.

These financial statements reflect management's current assessment of the impact of the Ukrainian business environment on the operations and the financial position of the Company. The future business environment may differ from management's assessment.

2. Basis of preparation

(a) Statement of compliance

This financial statement has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRSs).

Financial statements were approved by the company's management for submission to the company's shareholder on 31.07.2025.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis except land plot and buildings which are carried at revaluated amounts.

(c) Functional and presentation currency

Management determined the functional currency to be the Ukrainian Hryvnia (UAH) as it reflects the economic substance of the underlying events and circumstances.

Management elected to use the Ukrainian Hryvnia (UAH) as the reporting currency in these financial statements for the convenience of users of the financial statements.

3. Significant accounting policies

3.1. Foreign currency translation

Transactions in foreign currency are translated to the functional currency using exchange rates in effect during the date of the transactions.

Profit and losses from foreign exchange difference, which arise from the settlement of such transactions during the period and from the conversion of monetary assets and liabilities expressed in foreign currency with the effective exchange rates during the balance sheet date, are registered in the results.

Foreign exchange differences from non-monetary items valued at fair value, are considered as part of the fair value and thus are registered accordingly as fair value differences.

3.2. Intangible assets

Intangible assets of the Company are initially recognized at acquisition cost. Following the initial recognition, intangible assets are calculated at cost minus accumulated amortization and any impairment loss that may have emerged.

If there have been significant changes in the estimated pattern of economic benefits embodied in an asset, the depreciation method should be changed to reflect the changes in that pattern. Such changes should be accounted for as a change in an accounting estimate by adjusting the depreciation expense for the current and future reporting periods.

The amortization of intangible assets is based on the straight-line method during their useful life, which is estimated depending on their usage. Intangible assets mainly include the acquired software used in production or management, as well as trademarks.

The estimated useful lives for current and comparative periods are as follows:

- software – 17 - 22 years

3.3. Tangible assets

The acquisition cost of fixed assets includes all expenses directly attributed to the acquisition of the assets.

Self-produced tangible assets constitute and addition to the acquisition cost of tangible assets at values that include the direct payroll cost for staff that participates in the construction, the cost of used materials and other general costs.

At each reporting date, an entity should assess whether there is any indication that an asset may be impaired. If any such indication exists, an impairment test should be performed to determine the asset's recoverable amount.

Even if no indication of impairment exists, the following types of assets should be tested for impairment annually:

- property and equipment: land and buildings
- intangible assets with indefinite useful lives
- intangible assets that are not yet available for use

An impairment test may be performed at any time during the reporting period, provided that it is performed annually at the same time.

The fair value of land-plots and buildings is defined periodically by an independent evaluator. The mechanical equipment and other tangible fixed assets are presented at acquisition cost minus accumulated depreciations and possible impairment losses. Any revaluation gain arising from revaluation of land or buildings is included in equity as part of the revaluation reserve. When an item of land or building is derecognized any related revaluation gain is transferred to retained earnings when the asset is retired or disposed of.

Subsequent expenditures are registered as in increase of the tangible assets' book value or as a separate fixed asset, only to the extent where such expenditures increase the future economic benefits expected to arise from the use of the fixed assets, and the cost of such may be reliably calculated. The cost of repairs and maintenance is registered in the results of the period where such are realized.

The depreciations of tangible fixed assets are calculated with the straight-line method during their useful life, which is as follows:

Buildings	from 20 to 60 years
Mechanical Equipment	from 5 to 10 years
Vehicles	from 5 to 9 years
Other Equipment	from 4 to 20 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the residuals values, the expected useful life or expected burn-up rate of future economic benefits incorporated in an asset have changed, the changes are accounted for as changes in accounting estimations.

Upon sale of the tangible fixed assets, any difference between the proceeds and the carrying value are booked as profit or loss to the results.

3.4. Impairment of non-financial assets

Non-financial assets (other than inventories and deferred tax assets) are subject to impairment review when there are indications that their book value will not be recovered. Impairment losses are recognized for the amount for which the book value of the fixed asset exceeds its recoverable value. The recoverable value is the higher of fair value less the relevant cost required for the sale and value in use (present value of cash flows expected to be generated according to management's estimation on the future financial and operating conditions). To estimate impairment losses, assets are classified in the smallest possible cash flow generating units. Non-financial assets apart from goodwill that have suffered impairment are re-assessed for possible reversal of the impairment during each balance sheet date. When the book value of a revalued asset exceeds its recoverable value, the difference (impairment) is registered initially as a reduction of any existing fair value gain (if there is such for the relevant fixed asset). which is presented in equity accounts. Any impairment loss that emerges over the cumulative revaluation gain for a revalued fixed asset, is recognized directly as an expense in the profit and loss account. For non-financial assets that are not carried at revalued amounts any impairment (or reversal of impairment) is recorded directly in profit and loss.

3.5. Inventories

The cost of inventories is defined using the WAC (weighted average cost) method and includes all the expenses realized in order to render inventories to their current position and condition and which are directly attributable to the production process, as well as part of general expenses related to the production. Inventories are presented at lower or cost and net realizable value.

Net realizable value is the estimated sales price during the normal conduct of the Company's activities, minus the estimated costs of completion and cost necessary to realize the sale.

3.6. Financial assets

3.6.1. Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

3.6.2. Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised or modified. The Company has no financial assets carried at fair value.

3.6.3. Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3.7. Cash and cash equivalents

Cash and cash equivalents include cash in banks and in hand, as well as short-term highly liquid investments such as repos and bank deposits with a maturity less than three months.

3.8. Statutory capital

The Company is incorporated as a limited liability company. For details of the accounting policy related to statutory capital, refer to Note 11.

3.9. Leases

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, Company as a lessee recognises a right-of-use asset and a lease liability. The lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Company interest rate. The right-of-use asset is measured at cost, which includes the amount of the initial measurement of the related lease liability, any lease payments made at or before the lease commencement date and any initial direct costs.

After the commencement date, Company as a lessee measures the right-of-use asset applying a cost model. After the commencement date, Company as a lessee measures the lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

3.10. Employee benefits

Short-term employee benefits (apart from employment termination benefits) in money and in kind, are recognized as an expense on an accrual basis.

3.11. Revenue

According to the IFRS 15, the revenue is being recognized at the amount which an economic entity expects to fairly receive or be entitled to in exchange for the transfer of goods or services to a customer.

Revenue is the amount which the Company expects to receive in exchange for the goods or services which were transferred to a customer unless the amounts which are being received for the account of third parties (value added tax, other taxes on the sales). The variable amounts are included in the transaction price to the extent that it is highly probable that a significant reversal of the variable amounts will not occur in the future and are estimated by utilizing the "expected value" method.

The Company recognizes revenues when (or as) a contractual obligation is satisfied by transferring the control of a promised good or service to the customer. The customer obtains control of a good or service if it has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. Control is transferred over time or at a point in time.

The main products of the Company are food packaging products, plastic garbage bags and household cleaning products. The revenue from the sale of goods is recognized when control of the good is transferred to the customer.

A trade receivable is recognized when the Company has an unconditional right to receive a price consideration for the execution of contractual obligations towards the customer. The contractual asset is being recognized when the Company has satisfied all its obligations towards the customer, before the customer receives payment or before the payment is due, for example when goods or services are transferred to the customer before the Company has the right to invoice these goods or services.

A contractual obligation is recognized when there is an obligation to transfer goods or services to a customer for which the Company has received consideration from the customer (prepayment), or when there is an unconditional right possessed by the Company to receive consideration prior to the transfer of the good or service (deferred income). The contractual liability is derecognized when the related obligation is fulfilled, and the revenue is recorded in the income statement.

3.12. Contingent Liabilities and Provisions

Provisions are booked when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably measured. The provisions are reviewed at every balance sheet date and are adjusted so as to reflect the present value of the expense deemed necessary to settle the liability. Contingent liabilities are not recorded in the financial statements but are disclosed, except if the probability of an outflow of resources that embody economic benefits is very small. Contingent assets are not recorded in the financial statements but are disclosed if the inflow of economic benefits is probable.

A provision is a liability with an uncertain timing or amount.

The Company accrues the following types of provisions:

- provision for vacation
- legal claims
- allowance for doubtful debts.

Other provisions include:

- provisions for impairment of inventories due to damaged, spoiled (lost) inventories that show signs of impairment, including accrual of VAT reserve on inventory balances that have already been recognized in warehouse accounting as damaged, spoiled (lost)
- provision for other expenses and payments
- provision for income tax.

3.13. Profit distribution

Profit for the period is distributed by the General Participants' Meeting.

3.14. Current and deferred taxation

The period's charge with income tax consists of current taxes and deferred taxes. Tax is recognized in the "Statement of Profit or Loss and Other Comprehensive Income", unless it is related to amounts recognized directly in "Equity". In the latter case tax is also recognized in Equity.

Income tax on earnings, is calculated based on the tax law in effect during the balance sheet date in countries where the Company's activities are carried out and is recognized as an expense during the period when earnings are gained. Management periodically reviews cases where the relevant tax law needs clarifications when interpreted. When deemed necessary provisions are made on the amounts expected to be paid to the tax authorities.

Deferred income tax is calculated according to the liability method which results from the temporary differences between the book value of assets or liabilities in the financial statements with their respective tax base. Deferred income tax is not recorded if such results from the initial recognition of an asset or liability in a transaction, apart from a business combination, which did not affect the accounting or the tax profit or loss when realized. Deferred tax is defined according to the tax rates and laws in effect during the balance sheet date and those expected to be effective when the deferred tax assets will be realized or the deferred tax liabilities repaid.

Deferred tax assets are recognized to the extent that there will be future taxable profit for the use of the temporary difference that creates the deferred tax asset. Deferred tax assets and liabilities are offset only when the law permits the offsetting of tax assets and liabilities and given that the deferred tax assets and liabilities arise from the same tax authority on one entity that is taxed or on different entities when the settlement is intended to take place through offsetting.

3.15 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 1(b) – going concern: whether there are material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 3.3 – useful lives of property, plant and equipment;
- Note 3.2 – useful lives of intangible assets;
- Note 5 – impairment test of certain items of property, plant and equipment;
- Note 24 – fair value of certain items of property, plant and equipment;
- Note 23(b)(i) – measurement of ECL allowance for trade receivables: key assumptions.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and financial and non-financial liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Company Audit Committee.

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

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

- Note 24 – property, plant and equipment.

4. New standards and interpretations issued but not effective yet

The following new standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for annual periods starting 1 January 2024. Those relating to the Company's operations are presented below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective and expects that these standards and amendments will likely have no material impact on the separate financial statements of the Company.

- IFRS 18 *"Presentation and Disclosure in Financial Statements"* (effective for annual periods starting on or after 01.01.2027)
- IFRS 19 "*Subsidiaries without Public Accountability: Disclosures*" (effective for annual periods starting on or after 01.01.2027)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) The amendments are effective for annual periods on or after 1 January 2026.

Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 effective from 1 January 2026).

5. Property, plant and equipment

Movements in property, plant and equipment for the year ended 31 December 2023 are as follows:

(in thousands of Ukrainian hryvnias)	**Land**	**Buildings - Technical Works**	**Equipment and Other Equipment**	**Means of Transportation**	**Fixed Assets under construction and prepayments**	**Total**
Cost						
As at 1 January 2023	4,088	198,327	218,396	9,795	717	**431,323**
Additions	-	-	-	-	9,011	**9,011**
Disposals	-	-	(446)	-	-	**(446)**
Revaluation	(65)	15,324	-	-	-	**15,259**
Transfer	-	487	7,980	-	(8,467)	**-**
As at 31 December 2023	**4,023**	**214,138**	**225,930**	**9,795**	**1,261**	**455,147**
Depreciation						
As at 1 January 2023	-	78,966	135,288	7,842	-	**222,096**
Depreciation charge	-	2,424	19,196	881	-	**22,501**
Disposals	-	-	(446)	-	-	**(446)**
Revaluation	-	6,833	-	-	-	**6,833**
As at 31 December 2023	**-**	**88,223**	**154,038**	**8,723**	**-**	**250,984**
Net book value						
As at 31 December 2023	**4,023**	**125,915**	**71,892**	**1,072**	**1,261**	**204,163**

Movements in property, plant and equipment for the year ended 31 December 2024 are as follows:

(in thousands of Ukrainian hryvnias)	**Land**	**Buildings - Technical Works**	**Equipment and Other Equipment**	**Means of Transportation**	**Fixed Assets under construction and prepayments**	**Total**
Cost						
As at 1 January 2024	4,023	214,139	225,929	9,795	1,261	**455,147**
Additions	-	-	-	-	14,950	**14,950**
Disposals	-	-	(6,691)	-	(3)	**(6,694)**
Revaluation	430	(234)	-	-	-	**196**
Transfer	-	4,754	7,533	-	(12,287)	**-**
As at 31 December 2024	**4,453**	**218,659**	**226,771**	**9,795**	**3,921**	**463,599**
Depreciation						
As at 1 January 2024	-	88,222	154,037	8,723	-	**250,982**
Depreciation charge	-	2,722	18,485	564	-	**21,771**
Disposals	-	-	(5,372)	-	-	**(5,372)**
Revaluation	-	239	-	-	-	**239**
As at 31 December 2024	**-**	**91,183**	**167,150**	**9,287**	**-**	**267,620**
Net book value						
As at 31 December 2024	**4,453**	**127,476**	**59,621**	**508**	**3,921**	**195,979**

As at 31 December 2024 and 2023, the Company's land and buildings were revalued by an independent appraiser in order to determine their fair value which was determined using comparative method for land plot and building. Details are at the note 24.

Depreciation

The total depreciation charge for the year ended 31 December is as follows:

(in thousands of Ukrainian hryvnias)	**2024**	**2023**
Cost of production	19,817	20,373
Administrative Expenses	257	579
Distribution Expenses	1,698	1,549
Total depreciation charge	**21,772**	**22,501**

As at 31 December 2024, the Company carried out an assessment of indicators of possible impairment in respect of its property, plant and equipment, which are measured using the cost model and are primarily represented by production equipment. As part of this review, the Company identified certain indicators of potential impairment.

Nonetheless, following a more detailed analysis, and having obtained a formal commitment from its parent company, GR. SARANTIS S.A., confirming the Group's readiness to acquire the relevant production equipment at an amount not less than its net book value, management concluded that the Company will be able to recover the carrying amount of the assets without recognizing an impairment loss but in particular through its sale to the Group.

Accordingly, no impairment has been recognized in these financial statements as at and for the year ended 31 December 2024.

6. Intangible Assets

The movements in intangible assets (IA) for the year ended 31 December 2023 are as follows:

(in thousands of Ukrainian hryvnias)	**Property Rights**	**Accounting system (SAP)**	**Other Intangible Assets**	**Total**
Cost				
As at 1 January 2023	244	29,609	4,688	**34,541**
Additions	-	135	-	**135**
Disposals	-	-	(1)	**(1)**
As at 31 December 2023	**244**	**29,744**	**4,687**	**34,675**
Amortization				
As at 1 January 2023	244	3,325	3,727	**7,296**
Amortization charge	-	1,354	269	**1,623**
As at 31 December 2023	**244**	**4,679**	**3,996**	**8,919**
Net book value:				
As at 31 December 2023	**-**	**25,065**	**691**	**25,756**

The movements in intangible assets (IA) for the year ended 31 December 2024 are as follows:

(in thousands of Ukrainian hryvnias)	**Property Rights**	**Accounting system (SAP)**	**Other Intangible Assets**	**Total**
Cost				
As at 1 January 2024	244	29,744	4,687	**34,675**
Additions	-	229	2	**231**
As at 31 December 2024	**244**	**29,973**	**4,689**	**34,906**
Amortization				
As at 1 January 2024	244	4,679	3,997	**8,920**
Amortization charge	-	3,274	257	**3,531**
As at 31 December 2024	**244**	**7,953**	**4,254**	**12,451**
Net book value:				
As at 31 December 2024	**-**	**22,020**	**435**	**22,455**

Amortization of intangible assets (incl. IT software) is included into administrative and distribution expenses.

7. Lease agreements

Lease agreements are presented as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Rights of use	16,334	22,848
Total assets	**16,334**	**22,848**

(in thousands of Ukrainian hryvnias)		**Rights of use**	
	Land-Fields	**Buildings**	**Total**
As at 31 December 2022	7,340	14,124	21,464
Modification Asset	1,151	(1,425)	(274)
Write off Asset	-	(766)	(766)
Amortization	(359)	(1,681)	(2,040)
Other changes	-	765	765
Write off Amortization	-	3,699	3,699
As at 31 December 2023	8,132	14,716	22,848

(in thousands of Ukrainian hryvnias)		**Rights of use**	
	Land-Fields	**Buildings**	**Total**
As at 31 December 2023	8,131	14,716	22,847
Modification Asset	(4,027)	(670)	(4,697)
Amortization	(218)	(1,598)	(1,816)
As at 31 December 2024	3,886	12,448	16,334

Discount rate for IFRS 16 Company is used determined by Sarantis Company as 3% annual for 2024.

Movements in right of use and lease liabilities for the 2023 and 2024 are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Long Term Lease Liabilities	16,396	22,386
Short Term Lease Liabilities	1,261	1,540
Total Liabilities	**17,657**	**23,926**

(in thousands of Ukrainian hryvnias)	**Lease liabilities**
As at 31 December 2022	22,291
Modification	3,759
Interest expenses	617
Payments	(2,740)
As at 31 December 2023	**23,927**
Future interests	5,545
Future lease payments	**29,472**

(in thousands of Ukrainian hryvnias)	**Lease liabilities**
As at 31 December 2023	23,926
Modification	(4,422)
Interest expenses	873
Payments	(2,720)
As at 31 December 2024	**17,657**
Future interests	7,305
Future lease payments	**24,962**

8. Inventories

Inventories as at 31 December 2023 and 31 December 2024 are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Finished Goods and Goods for resale	122,926	113,063
Raw Materials	75,821	64,648
Packaging and Other Auxiliary Materials	6,216	5,559
Work in Process Semifinished Goods	17,419	19,204
Goods in transit	4,647	5,594
Total	**227,029**	**208,068**

During the years ended 31 December inventories were recognised as an operating expenses as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Cost of goods	551,155	556,176
Administrative Expenses	556	533
Distribution Expenses	8,192	6,406
Total	**559,903**	**563,115**

9. Trade and other receivables

Trade and other receivables as at 31 December 2023 and 31 December 2024 are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Trade receivables - Third Party	354,144	345,272
Trade receivables - Related Parties	13,013	5,577
Allowance for expected credit losses for Receivables from Customers	(34,204)	(32,161)
	332,953	318,688

Changes in allowance for expected credit losses of trade and other receivables during 2023 and 2024 are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Balance as at 1 January	32,161	26,736
Expected credit losses recognized on trade and other receivables	5,665	5,426
Amounts written off against allowance	(3,622)	-
Balance as at 31 December	34,204	32,162

10. Cash and cash equivalents

Cash and cash equivalents as at 31 December 2023 and 31 December 2024 are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Balances in UAH	110,978	114,968
Balances in other currencies	42,812	35,085
Cash in transit	-	277
	153,790	150,330

The cash and equivalents presented in the table is the cash located in the current bank accounts.

The company did not recognize expected credit losses for cash and cash equivalent, since it was recognized that the effect of such losses is not material at the reporting date. Deposits are placed for very short periods. The majority of cash is placed in 2 of 10 the biggest banks in Ukraine, both are the members of European bank groups.

11. Equity

The Company is incorporated as a limited liability company, implying that the participant has a legally enforceable right to claim the withdrawal of its interest from the Company. In such case, the Company is required to pay to the participant the value of the Company's property proportionate to the participant's interest in the charter capital. The payment is to be made upon approval of the annual report for the year of the participant's withdrawal within 12 months from the withdrawal date.

According to requirements of IAS 32 the Company classifies participant interest as equity if:

- instrument entitles holder to pro rata share of the Company's net assets in the event of the Company's liquidation;
- instrument belongs to class of instruments that is subordinate to all other classes of instruments issued by the Company;
- all financial instruments in this most subordinate class have identical features;
- apart from obligation for issuer to repurchase or redeem instrument, the instrument does not include any other contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities under potentially unfavourable conditions;
- total expected cash flows attributable to the instrument over its life are based substantially on profit or loss, change in recognised net assets or change in fair value of recognised net assets of the Company;
- issuer has no other financial instrument or contract that has total cash flows based substantially on profit or loss, change in recognised net assets or change in fair value of recognized net assets of the entity and effect of substantially restricting or fixing residual return to puttable instrument holders.

Management believes the above criteria have been met. Based on this, management concluded that such participant interest represents residual interest in the Company and meet all equity instrument classification criteria under IFRS. Therefore, participant interest is presented as equity at the reporting date in these financial statements.

The Company has no formal policy for capital management, but management seeks to maintain a sufficient capital base for meeting the Company's operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of Company's revenues and profit, and long-term investment plans mainly financed by the Company's operating cash flows. With these measures the Company aims for steady profits growth.

The Company is not subject to externally imposed capital requirements.

Company carries out capital management in order to ensure the going concern. The Company's capital structure is represented by statutory capital, revaluation reserve, legal reserve, retained earnings and special reserves.

12. Reserves

Reserves as at 31 December 2023 and 31 December 2024 are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Revaluation Reserves	64,652	64,688
Special Reserves	886	278
Other Reserves:	3,002	3,002
- *Reserve Fund*	2,994	2,994
- *Extraordinary Reserves*	8	8
	68,540	**67,968**

13. Trade and other payables

Trade and other payables as at 31 December 2023 and 31 December 2024 are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Suppliers (Goods, Raw Materials, Packaging, Fixed assets) - Third Party	21,854	17,816
Suppliers (Goods, Raw Materials, Packaging, Fixed assets) - Related Parties	29,443	16,851
Suppliers (Services, Consumables, other) - Third Party	14,013	11,629
Suppliers (Services, Consumables, other) - Related Parties	1,937	5,116
Customer Advances - Third Party	188	137
Social Security	85	91
Sundry Creditors - Third Party	3,587	3,197
Accruals for TD expenses	13,333	26,172
Accruals (other)	24,656	25,120
	109,096	**106,129**

14. Other tax liabilities

Other tax liabilities as at 31 December 2023 and 31 December 2024 are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Personal income tax	328	731
Other taxes	196	5,105
	524	**5,836**

15. Provision for employee benefits

As at 31 December 2023 and 31 December 2024 presented as follows:

(in thousands of Ukrainian hryvnias)	As at 31.12.2023	Provisions accrued 2024	Provisions used 2024	As at 31.12.2024
Provision for unused vacation	4,589	11,220	(11,323)	4,486
Personnel for accruals	265	6,047	(4,339)	1,973
- bonuses	265	2,112	(1,722)	655
- personnel expenses	-	3,935	(2,617)	1,318
	4,854	17,267	(15,662)	6,459

16. Revenue

Revenue is presented net of sales incentives, including bonuses for volume of purchases and early payment discounts, which are paid to customers.

(in thousands of Ukrainian hryvnias)	As at 31.12.2024	As at 31.12.2023
Gross revenue (Net billings)	1,175,979	1,217,827
Sales incentives	(165,119)	(181,999)
Net revenue	1,010,860	1,035,828

Revenue by geographic location:

(in thousands of Ukrainian hryvnias)	2024	2023
Ukraine	666,381	754,207
Asia	215,277	156,661
Europe	129,202	123,815
Other	-	1,144
Net revenue	1,010,860	1,035,827

17. Cost of sales

Cost of sales for the years ended 31 December is as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Cost of goods	551,155	556,175
Employee expenses	59,654	54,784
Third-party fees	130	168
Third-party benefits	42,530	45,124
Taxes – duties	249	240
Sundry expenses	9,634	3,657
Fixed asset and ROU depreciation	21,291	21,943
Own inventory use	(929)	(617)
Distribution Expenses (Export sales freights by third parties)	32,007	31,374
	715,721	**712,848**

18. Administrative expenses

Administrative expenses for the years ended 31 December are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Employee expenses	31,853	26,734
Third - Party fees	6,030	3,546
Third - Party Benefits	9,216	6,930
Taxes - Duties	2	-
Sundry Expenses	1,091	846
Depreciation and amortization	3,776	2,188
	51,968	**40,244**

19. Distribution expenses

Distribution expenses for the years ended 31 December are as follows:

(in thousands of Ukrainian hryvnias)	As at 31.12.2024	As at 31.12.2023
Employee expenses	49,786	40,033
Third - Party fees	12,211	2,426
Third - Party Benefits	38,387	31,861
Taxes - Duties	416	497
Sundry Expenses:	120,611	102,335
Overhead Expenses: third party transportation services	45,650	46,042
Overhead Expenses: merchandising services	29,693	24,378
Overhead Expenses: other	45,268	31,915
Depreciation and amortization	2,051	2,035
	223,462	**179,187**

20. Employee costs

Employee costs, the majority of which are included in cost of sales and distribution expenses are as follows:

(in thousands of Ukrainian hryvnias)	As at 31.12.2024	As at 31.12.2023
Wages, salaries and bonuses	107,409	91,884
Salary-related charges (social securities)	22,089	19,348
Provision on Stock Option	608	278
Provision for unused vacations	11,220	10,041
	141,326	**121,551**

21. Finance income and costs

Finance income and costs for the years ended 31 December are as follows:

(in thousands of Ukrainian hryvnias)	As at 31.12.2024	As at 31.12.2023
Interest income	8,664	5,618
	8,664	**5,618**
Interest on leasing	(873)	(617)
Bank charges	(1,208)	(1,197)
	(2,081)	**(1,814)**
Net finance income	**6,583**	**3,804**

22. Income tax expense

The corporate income tax rate was 18% for 2023 and 2024.

Income tax expense for the periods ended 31 December was as follows:

(in thousands of Ukrainian hryvnias)	As at 31.12.2024	As at 31.12.2023
Current tax expense	6,991	23,058
Deferred tax income/(expense)	1,412	(4,954)
	8,403	**18,104**

A reconciliation between the expected and actual current income tax expense is given below:

(in thousands of Ukrainian hryvnias)	As at 31.12.2024	As at 31.12.2023
Profit before tax	29,398	103,560
Nominal amount of tax expenses at a rate of 18%	5,292	18,640
Tax effect of non-taxable items	3,111	(536)
Income tax expense	**8,403**	**18,104**

Movements in deferred tax assets for the years ended 31 December are as follows:

(in thousands of Ukrainian hryvnias)	Balance as at 01.01.2023	Recognised in Equity	Recognised in profit or loss	Balance as at 31.12.2023
Revaluation of Fixed assets	(12,683)	(1,517)	-	(14,200)
Difference in Tax and Balance value of Tangible assets	(1,192)	-	430	(762)
Difference in Tax and Balance value of Intangible assets	166	-	(48)	118
Accruals for trade expenses and other services	6,338	-	3,148	9,486
Provision for bad debts	-	-	1,809	1,809
Provision for stock	878	-	(384)	494
	(6,493)	**(1,517)**	**4,955**	**(3,055)**

(in thousands of Ukrainian hryvnias)	**Balance as at 01.01.2024**	**Recognised in Equity**	**Recognised in profit or loss**	**Balance as at 31.12.2024**
Revaluation of Fixed assets	(14,200)	8	-	(14,192)
Difference in Tax and Balance value of Tangible assets	(762)	-	418	(344)
Difference in Tax and Balance value of Intangible assets	118	-	298	416
Accruals for trade expenses and other services	9,486	-	(2,466)	7,020
Provision for bad debts	1,809	-	318	2,127
Provision for stock	494	-	20	514
	(3,055)	8	(1,412)	(4,459)

23. Financial risk management

Exposure to credit, interest rate and currency risks arises in the normal course of business. Ergopack LLC does not hedge its exposure to such risks.

(a) Overview

Ergopack LLC has exposure to the following risks from its use of financial instruments:

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

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Management has overall responsibility for the establishment and oversight of the risk management framework.

The risk management policies are established to identify and analyse the risks faced by the Ergopack LLC, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Ergopack LLC, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The shareholders oversee how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

(i) ***Trade and other receivables***

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer base has less of an influence on credit risk.

Management established a credit policy under which each new customer is analysed individually for creditworthiness before standard payment and delivery terms and conditions are offered. The review includes external ratings, where available. Purchase limits are established for each customer, which represents the maximum open amount without requiring additional approval from management. These limits are reviewed at a credit committee on quarter base.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, whether they are wholesale or retail, geographic location, industry, ageing profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to wholesale customers.

Ergopack LLC does not require collateral in respect of trade and other receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Company establishes an allowance for expected credit losses of trade receivables and contract assets that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main component of this provision are a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective impairment provision is determined based on historical data of payment statistics for similar financial assets.

The ageing analysis of trade and other receivables as at 31 December 2024 and 31 December 2023 are as follows:

	As at 31 December 2024		**As at 31 December 2023**		**Provision vs Gross Balance Value, %**	
(in thousands of Ukrainian hryvnias)	**Gross Balance Value**	**Provision**	**Gross Balance Value**	**Provision**	**As at 31 December 2024**	**As at 31 December 2023**
Not due	324,875	(5,091)	315,049	(2,571)	-2%	-1%
Due from 1 to 30 days	13,030	(671)	6,173	(339)	-5%	-5%
Due from 31 to 60 days	826	(147)	386	(77)	-18%	-20%
Due from 61 to 90 days	256	(128)	131	(65)	-50%	-50%
Due more than 90 days	28,170	(28,167)	29,110	(29,110)	-100%	-100%
	367,157	**(34,204)**	**350,849**	**(32,162)**		

(ii) ***Exposure to credit risk***

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Trade receivables	332,953	318,688
Cash and cash equivalents	153,790	150,330
	486,743	**469,018**

The Company keeps its cash and cash equivalents in banks of good repute that are members of international banking groups. Management continuously monitors the financial condition of the institutions where cash and cash equivalents are placed.

The Company carries out trading operations only with proven and creditworthy customers. It is the Company's policy that the possibility of granting credit to customers wishing to cooperate on credit terms is analysed on a case-by-case basis and is subject to formal approval. In addition, management performs an additional procedure for monitoring the status of counterparties' debts on a quarterly basis.

As at 31 December 2024, the Company has no significant concentration of accounts receivable.

(c) Liquidity risk

Liquidity risk is the risk that Ergopack LLC will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The contractual maturities of non-derivative financial liabilities including interest payments (undiscounted cash flows) are as follows:

(in thousands of Ukrainian hryvnias)	< 1 year	1-4 years	>4 years	Total
As at 31 December 2023				
Lease liabilities	2,116	5,950	21,406	29,472
Trade payables	102,667	-	-	102,667
	104,783	**5,950**	**21,406**	**132,139**
As at 31 December 2024				
Lease liabilities	2,070	5,707	17,185	24,962
Trade payables	105,198	-	-	105,198
	107,268	**5,707**	**17,185**	**130,160**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by management.

(i) Currency risk

Ergopack LLC is exposed to currency risk on sales, purchases, bank balances that are denominated in a currency other than the respective functional currency of Company (Ukrainian hryvnia (UAH). The currencies in which these transactions primarily are denominated are US dollars, Euro (EUR).

In respect of monetary assets and liabilities denominated in foreign currencies, Ergopack LLC ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The exposure to foreign currency risk is as follows:

(in thousands of Ukrainian hryvnias)	USD	EUR
As at 31 December 2023		
Trade and other receivables	50,772	22,944
Cash and cash equivalents	31,352	3,732
Trade and other payables	(13,259)	(14,660)
Net (short) long position	**68,865**	**12,016**
As at 31 December 2024		
Trade and other receivables	65,875	25,557
Cash and cash equivalents	39,765	3,047
Trade and other payables	(11,873)	(24,264)
Net (short) long position	**93,767**	**4,340**

The exposure to the expected changes in USD and EUR exchange-rate as of 31 December, is presented below:

	As at 31.12.2024		As at 31.12.2023	
Currency	Rate	Profit	Rate	Profit
USD	+5%	**4,688**	+5%	**6,321**
	-5%	**(4,688)**	-5%	**(6,321)**
EUR	+5%	**217**	+5%	**975**
	-5%	**(217)**	-5%	**(975)**

(ii) *Interest rate risk*

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Company's exposure should be to fixed or variable rates. As at 31 December 2024 the Company doesn't have any loans or borrowings.

(e) Master netting or similar agreements

The Company may enter into sales and purchase agreements with the same counterparty in the normal course of business. The related amount receivable and payable do not always meet the criteria for offsetting in the statement of financial position. This is because the Company may not have any currently legally enforceable right to offset recognised amounts, because the right to offset may be enforceable only on the occurrence of future events. In particular, in accordance with the law an obligation can be settled by offsetting against a similar claim if it is due, has no maturity or is payable on demand.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Trade and other receivables
	As at 31.12.2024
Gross amounts	355,871
Amounts offset in accordance with IAS 32 offsetting criteria	(22,918)
Net amounts presented in the statement of financial position	**332,953**
	As at 31.12.2023
Gross amounts	348,003
Amounts offset in accordance with IAS 32 offsetting criteria	(29,316)
Net amounts presented in the statement of financial position	**318,688**

24. Fair value assessment

Determination of fair value

The fair value measurement, developed for determination of fair value of the Company's property, is categorised within Level 3 category due to significance of unobservable inputs to the entire measurement. To assist with the estimation of the fair value of the Company's property as at 31 December 2023, which is represented by land and buildings, management engaged registered independent appraiser Pareto LLC, having a recognized professional qualification and recent experience in the location and categories of the projects being valued.

The fair values are based on the estimated rental value of property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents. The valuation is prepared based on personal unbiased, professional opinion and made with compliance with the relevant procedural rules and other regulatory acts of Ukraine.

As at 31 December 2024, the Company engaged an external independent appraiser to perform a revaluation of its buildings in accordance with the revaluation model under IAS 16 *Property, Plant and Equipment* and the fair value measurement principles of IFRS 13 *Fair Value Measurement.*

The fair value of the buildings as at 31 December 2024 was determined to be UAH 131,928 thousand. The valuation was performed using the income approach, specifically the direct capitalisation method. Given the use of unobservable inputs, this fair value measurement is classified as Level 3 within the IFRS 13 fair value hierarchy.

Valuation methodology and key assumptions

The fair value was determined using the direct capitalisation method, which involves estimating the property's potential rental income and applying an appropriate capitalisation rate. The key assumptions used by the independent appraiser were as follows:

(a) Rental rates

Market rental rates were assessed based on expert opinion and data from publicly available sources, with adjustments made for bargain conditions, location, size, physical condition, and functional use. The rental rates (net of VAT) applied as at the valuation date were:

- Boyarka – UAH 203 per sq. m.
- Kaniv – UAH 120 per sq. m.

(b) Capitalisation rates

The capitalisation rates applied were as follows:

- Boyarka – 18.08%
- Kaniv – 19.08%

The resulting fair value estimate is subject to significant unobservable inputs, particularly the rental rates and capitalisation rates, which could materially impact the valuation.

Management has reviewed the valuation results and considers the applied assumptions to be reasonable and reflective of market conditions as at the reporting date.

The reconciliation from the opening balances to the closing balances for Level 3 fair value measurements is presented in Note 5.

Sensitivity at the date of valuation

The valuation model used to assess the fair value of buildings as at 31 December 2024 and 2023 is particularly sensitive to unobservable inputs in the following areas:

- If rental rates are 1% less than those used in valuation models, the fair value of the buildings would be 748K UAH lower. If rental rates are 1% higher, then the fair value of the buildings would be 748K UAH higher.
- If the capitalisation rates applied are 1% higher than those used in the valuation models, the fair value of the buildings would be 741K UAH lower. If the capitalisation rates are 1% less, then the fair value of the buildings would be 756K UAH higher.

Hierarchy of values of property, plant and equipment accounted for at fair value, by level:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Level 3	131,928	129,939
	131,928	**129,939**

Total increase in the value (revaluation) of land plot, buildings and other constructions is recognized in other comprehensive income:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Revaluation of land and buildings	(44)	8,426
Related income tax	8	(1,517)
	(36)	**6,909**

If land, buildings and other constructions were carried at acquisition cost, their net book values would be as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024 (not audited)**	**As at 31.12.2023 (not audited)**
Land	1,459	1,459
Buildings and constructions	54,956	52,457
	56,415	**53,916**

Trade and other receivables and trade and other payables are not included in the table above. Their carrying amount is a reasonable approximation of fair value.

As at 31 December 2023 and 2024 the Company does not have any financial asset and liabilities at fair value. As at 31 December 2023 and 2024, all financial assets and liabilities of the Company were measured at amortized cost.

25. Related party transactions

Ergopack LLC performs transactions with related parties in the ordinary course of business. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial and operational decisions. Related parties comprise shareholders of the Parent Company, key management personnel and their close family members, and companies that are controlled or significantly influenced by these parties. Prices for related party transactions are determined on an ongoing basis.

(a) Transactions with Key management

Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Company.

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Salaries and bonuses	21,305	18,450
	21,305	**18,450**

(b) Balances and transactions with Related Parties

Outstanding balances with Related Parties are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Trade receivables - Sarantis Bulgaria Ltd	3	-
Trade receivables - Sarantis Polska SA	547	689
Trade receivables - Sarantis Romania SA	548	263
Trade receivables - SARANTIS HUNGARY	28	355
Trade receivables - Sarantis Serbia	10,006	3,799
Trade receivables - Sarantis Bosnia	1,321	368
Trade receivables - Sarantis Skopje	561	103
	13,014	**5,577**
Suppliers (Goods, Raw Materials, Packaging, fixed assets) - GR SARANTIS S.A.	(17,519)	(8,851)
Suppliers (Goods, Raw Materials, Packaging, fixed assets) - Sarantis Polska SA	(11,924)	(8,607)
Suppliers (Goods, Raw Materials, Packaging, fixed assets) - Sarantis Hungary	-	(491)
Suppliers (Services, Consumables, other) - Ivybridge Ventures Limited	(406)	(4,017)
Suppliers (Services, Consumables, other) - GR SARANTIS S.A.	(1,531)	(1,099)
	(31,380)	**(23,065)**
Accrued Expenses - Affiliates - Ivybridge Ventures Limited	(84)	(721)
Accrued Expenses - Affiliates - GR SARANTIS S.A.	(1,216)	(800)
	(1,300)	**(1,521)**

Revenue and expenses incurred from transactions with Related Parties are as follows:

(in thousands of Ukrainian hryvnias)	**As at 31.12.2024**	**As at 31.12.2023**
Revenue	50,484	36,977
Royalty expenses	(11,536)	(2,230)
Expenses: goods	(82,009)	(79,616)
Expenses: services	(4,836)	(2,686)

26. Comparable data adjustments

During 2024, the Company discovered that some discrepancies in presentation of balances, income and expenses took place in its financial statements 2023 and 2022. The presentation have been corrected by reclassification each of the affected financial statements line items for prior periods. The following tables summarize the impact on the Company financial statements.

Statement of financial position

	As previously reported 31.12.2023	As restated 31.12 .2023	Adjustments	Reference
Trade receivables	292,516	318,688	26,172	(1)
Inventories	236,495	208,068	(28,427)	(2)
Advances provided	-	47,828	47,828	(2)
Other receivables	19,739	-	(19,739)	(2)
Tax receivable	-	337	337	(2)
All other current assets	**151,694**	**151,694**	-	
Current assets	**700,444**	**726,615**	**26,171**	
Trade payables	51,374	102,667	51,293	(1)
Provision for employee benefits	29,975	4,854	(25,121)	(1)
All other current liabilities	**13,844**	**13,844**	-	
Current liabilities	**95,193**	**121,364**	**26,171**	

	As previously reported 1.1.2023	As restated 1.1.2023	Adjustments	Reference
Trade receivables	258,321	277,167	18,846	(1)
Inventories	234,919	218,282	(16,637)	(2)
Advances provided	-	26,787	26,787	(2)
Other receivables	20,045	-	(20,045)	(2)
Tax receivable	-	9,869	9,869	(2)
Income tax prepayments	-	26	26	(4)
All other current assets	**133,400**	**133,400**	-	
Current assets	**646,685**	**665,531**	**18,846**	
Trade payables	107,955	142,463	34,508	(1)
Provision for employee benefits	-	6,290	6,290	(1)
Provision	21,951	-	(21,951)	(1)
Tax Liabilities	2,709	-	(2,709)	(4)
Other Tax Liabilities	-	658	658	(4)
Income Tax Liabilities	-	2,050	2,050	(4)
All other current liabilities	**5,092**	**5,092**	-	
Current liabilities	**137,707**	**156,553**	**18,846**	

Statement of profit or loss and other comprehensive income

	As previously reported 2023	As restated 2023	Adjustments	Reference
Revenue	1,035,828	1,035,828	-	
Cost of sale	(681,474)	(712,848)	(31,374)	(3)
Gross operating profit	**354,354**	**322,980**	**(31,374)**	
Distribution Expenses	(215,986)	(179,187)	36,799	(3)
Operational FX income/(expenses)	1 439	1,179	(260)	(4)
Impairment loss on trade receivables	-	(5,425)	(5,425)	(4)
All other operating expenses	**(39 791)**	**(39,791)**	-	
Operating profit	**100 016**	**99,756**	**(260)**	
Financial (Expenses) / income	3 544	-	3,544	(4)
Financial Income	-	5,618	(5,618)	(4)
Financial Expenses	-	(1,814)	1,814	(4)
Profit before tax	**103,560**	**103,560**	-	

(1) During the reporting period, the Company identified a discrepancy in the presentation of accruals for services provided by suppliers for which no primary supporting documents had been received as of the reporting date. In prior periods, such accruals were partially offset against Trade receivables and partially presented under Provisions in the statement of financial position. In accordance with the Company's accounting policy, these balances should have been classified within Trade payables.

(2) During the reporting period, the Company identified a discrepancy in the presentation of advances provided. In prior periods, advances provided for inventory were included within Inventories, while other advances were presented as part of 'Other receivables'. In accordance with the Company's accounting policy, all such amounts should have been presented separately under a distinct line item 'Advances provided' in the statement of financial position.

(3) During the reporting period, the Company identified a discrepancy in the presentation of transportation expenses. In prior periods, these expenses were included in Distribution expenses. However, in line with the Company's accounting policy and the nature of the costs incurred, such transportation expenses should have been classified under Cost of sales.

(4) During the reporting period, the Company identified other not material discrepancy in the presentation of assets, liabilities, income and expenses. All these income and expenses were classified according to their nature and the accounting policy of the Company.

(5) The restatement of the Statement of cash flows was driven by the correction of identified during the reporting period discrepancies of presentation and the impact of the reclassification of the Statement of financial position.

Statement of cash flows

	As previously reported 31.12.2023	As restated 31.12.2023	Adjustments
Share based payments arrangements	-	278	278
Interest expense and other related expenses	1,814	617	(1,198)
Write-down of inventories	-	2,133	2 133
Foreign exchange differences	-	(1,439)	(1 439)
All other operating inflows	**129,529**	**129,528**	-
Operational inflows before working capital	**131,342**	**131,118**	**(225)**
Decrease / (increase) in inventories	(1,576)	8,081	9,657
Decrease / (increase) in receivables	(39,979)	(63,794)	(23,815)
(Decrease) / increase in liabilities (other than to banks)	(43,236)	(51,903)	(8,667)
(Decrease) / increase in tax assets and liabilities	-	12,452	12,452
Interest and other related expenses, paid	(1,198)	(617)	581
Income tax paid	(22,078)	(22,078)	-
Net inflows from operating activities	**23,277**	**13,260**	**(10,017)**
Acquisition of tangible and intangible assets	(8,765)	(175)	(164)
Proceeds from sale of tangible and intangible assets	3	15	(12)
Interest received	5,580	5,618	(38)
Net inflows / (outflows) from investment activities	**(3,182)**	**5,458**	**8 640**
Lease payments	(2,740)	(2,488)	(252)
Net outflows from financial activities	**(2,740)**	**(2,488)**	**252**
Effect of foreign exchange differences on cash	273	1,398	1,125
Net increase in cash and cash equivalents for the period	**17,629**	**17,628**	**(1)**

27. Subsequent events

The company continues working in the current environment and doesn't determine any new/additional important subsequent events that has to be included to this financial statement.

11.09.2025

Tetiana Zolotarevych

Head of finance, Ergopack LLC

The formation of parity between the interests of business, the state, and society is important for the development of civilized social relations. The principle of openness, transparency, and disclosure of activities serves as an important tool for building partnerships in resolving pressing issues. As a responsible business that understands the need for transparent reporting of its activities and progress towards sustainable development, we are pleased to present the 2024 annual report of Ergopack LLC.

Business nature

Ergopak LLC specializes in the production and supply of household goods and cosmetics in Ukraine, and also exports products to neighboring and distant foreign countries: Moldova, Georgia, Poland, Armenia, Kazakhstan, and others. The company carries out multi-stage quality control of production and management, logistics, sales, and marketing. The company's production facilities are located in the Cherkasy region, in the city of Kaniv. The company's products are in high demand among buyers. In addition to the well-known brands “Melochi Zhizni”/“FINO”, “Novax”, “Domi”, Ergopack manufactures products under its own brands for retail chains such as: “Auchan”, “Epicenter”, Silpo, Novus, Watsons, Metro, ATB, EVA, Tavria-V, and Kopiyochka. It also sells products under the Luksia brand.

In 2018, Ergopack became part of the international holding company Sarantis Group, a recognized European leader in cosmetics and household goods.

Company strategy and objectives

The company operates in Ukraine in accordance with applicable Ukrainian legislation and in compliance with all standards: sanitary and hygienic, labor protection, fire safety, and others at all facilities. Marketing programs fully comply with laws, regulations, and recommended codes of conduct for marketing communications.

The company's objective is to develop and promote products on the Ukrainian and international markets and to generate profit.

The company's goal is to develop and promote products on the Ukrainian and international markets and to make a profit. The company is responsible for the results of its activities and the fulfillment of its obligations to consumers, suppliers, and partners, and ensures the needs of the industry in the category of “household goods” of the state and the population in products with high consumer properties and quality, in jobs, as well as in filling the budget through taxes. By processing secondary raw materials, the company makes a significant contribution to preserving the health of the nation, protecting the environment, and the ecological state of our country.

Organizational structure of the company

In order to understand how our company works, it is necessary to get acquainted with its organizational structure. Each department performs its own functions, and the end result of their activities is the contribution they make to the overall performance of the Company.

First of all, it is necessary to determine what product the customer needs. To do this, we need to get to know our customer. This is done by specialists in the marketing department—brand managers. They determine exactly what product we need. Next, product managers get involved, who work with technologists and other production staff to develop a new product. Subsequently, a planning specialist places an order in our company's production plan.

Our factory is a unique enterprise consisting of five production facilities, each of which is responsible for the production of a specific type of household goods.

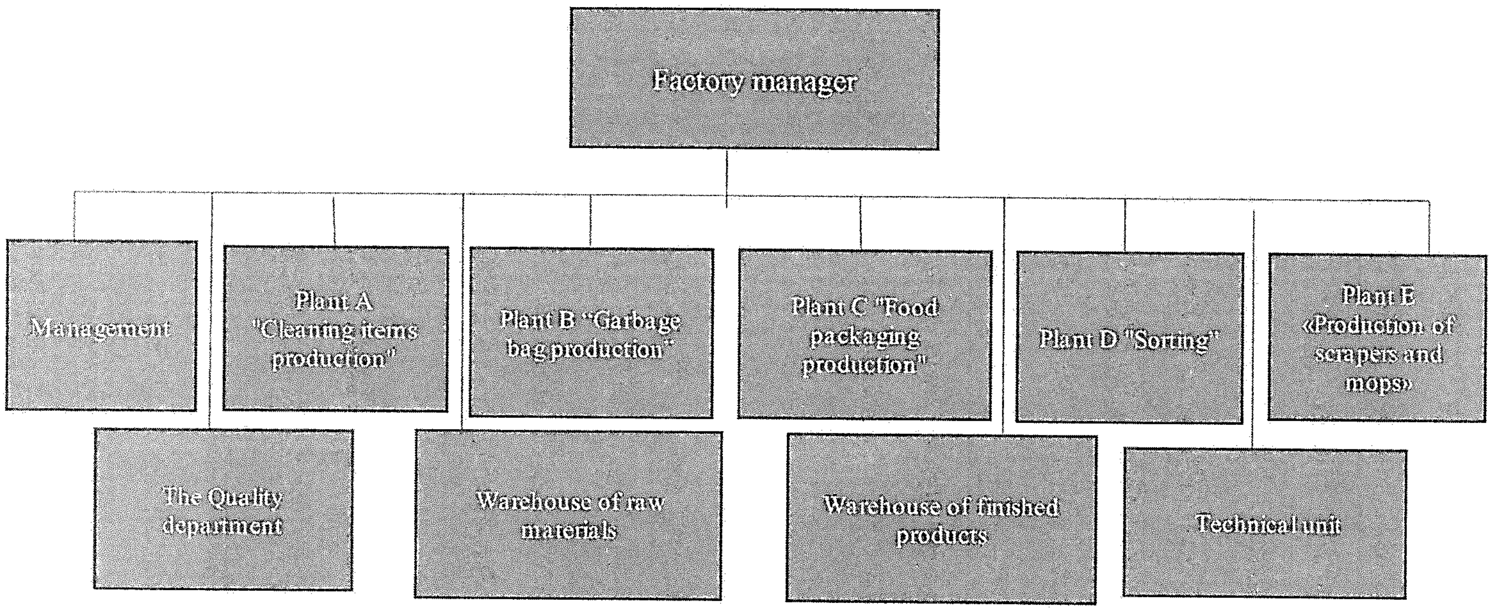
Production A – production of cleaning products (sponges, wipes);

Production B – production of garbage bags;

Production C – production of food packaging;

Production D – recycling of secondary raw materials.

Production E – production of scrapers and mops.



Organizational structure of the production complex

Raw materials are necessary for production. The procurement department is responsible for their supply. The production facility also has a department responsible for ensuring the company's operations. This is the technical and administrative department. The quality control department is responsible for ensuring that the manufactured products comply with quality standards. High-quality finished products are then sent to the finished goods warehouse, where they are ready for shipment to our customers.

Information about our product is delivered to the customer through various information channels by the marketing department. And directly with our customers: retail chains, specialized companies, end consumers work with employees of the sales department.

The export sales department is responsible for attracting customers from other countries, covering not only neighboring countries but also distant foreign countries.

On-time and high-quality delivery of goods depends on the supply chain department, warehouse staff, and transport department.

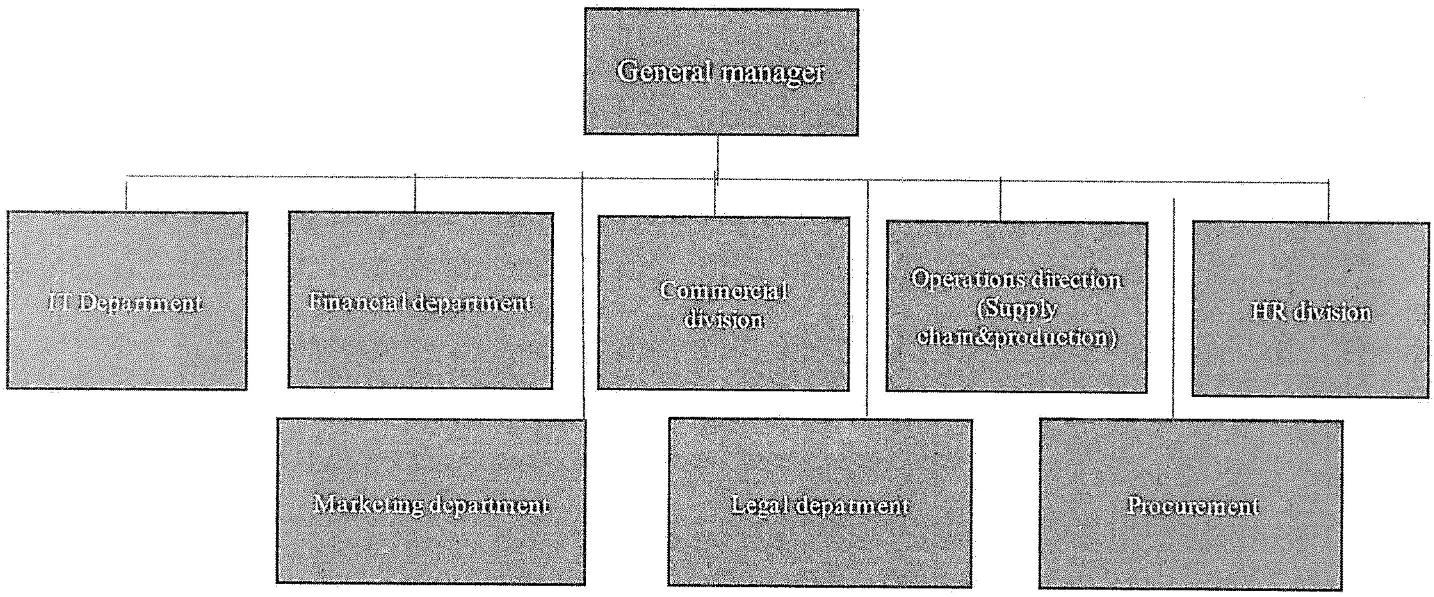
The Company's activities would not be possible without its main resource—its employees. To this end, the Company has a human resources department. The main result of its activities is a team of highly qualified and efficient employees.

The function of "Ensuring the stability of the enterprise's economy" is implemented by the finance department. This function includes accounting, control, and the proper distribution of monetary and material resources.

The legal department is responsible for the legal support of the company's activities, while IT specialists from the information technology department ensure the functioning of computer and other equipment.

The administrative and maintenance department maintains the company's office premises, buildings, and structures in proper condition, ensuring the company's day-to-day operations.

Thus, we have outlined the main functions of various departments and can get acquainted with the overall organizational structure.



Organizational structure of the central office

Results of activities

The main results of ErgoPack LLC's activities for 2024-2023 are presented below:

k UAH

	2024	2023
Revenue	1 010 860	1 035 828
Cost of goods sold	(715 721)	(712 848)
Administrative expenses	(51 968)	(40 244)
Distribution costs	(223 462)	(179 187)
Operating income from foreign currency transactions	9 198	1 179
Operating income	22 815	99 756
Financial income	8 664	5 618
Financial expenses	(2 081)	(1 814)
Net profit/loss	20 995	85 456

Revenue from sales of finished products in 2024 did not decrease significantly compared to 2023 by UAH 24,968 thousand, or 2.4%, which is a result of more intensive activity of other market participants compared to previous years.

Statement of retained earnings

k UAH

	2024	2023
Retained earnings at the beginning of the period	28 118	(57 338)
Net income for the period	20 995	85 456
Net income available to owners	49 113	28 118
Retained earnings at the end of the period	**49 113**	**28 118**

Liquidity and liabilities

The assets that ensure the prompt fulfillment of obligations belonging to Ergopak LLC are listed below:

k UAH

Assets	2024	2023
Current assets		
Cash and cash equivalents	153 790	150 330
Accounts receivable	332 953	318 688
Inventories and supplies	227 029	208 068
Other current assets	41 842	48 165

Deferred expenses	1 957	1 364
Total	*757 571*	*726 615*
Non-current assets		
Fixed assets	195 979	204 163
Intangible assets	22 454	25 756
Rights of use	16 333	22 848
Total	*234 767*	*252 767*
Total assets	**992 339**	**979 382**

Ergopak LLC has a balanced asset structure. The main share of assets consists of accounts receivable from customers – 34% in 2024 and 33% in 2023, inventories account for 23% in 2024 and 21% in 2023, and cash accounts for 15% in 2024 and 2023. The residual value of fixed assets in 2024 was 83% of the value of all non-current assets, and in 2023, 81%, respectively.

The main sources of liquidity for Ergopack LLC in 2024, as in 2023, remain accounts receivable from customers, as well as inventory and cash and cash equivalents. In fact, the company's main non-financial assets are its established relationships with buyers, a certain market share, and its established reputation.

Liabilities and capital of Ergopack LLC (listed below).

In 2024, we're seeing a decrease in current liabilities and long-term liabilities, and an increase in capital. At the same time, current accounts payable went up by 2,968,000 UAH in 2024, or 3% compared to 2023.

The share of equity capital in 2024 increased to 86% compared to 85% in 2023, indicating an increase in the company's financial independence.

k UAH

	2024	2023
Current liabilities under long-term leases	1 261	1540
Accounts payable	109 096	106 128
Other current liabilities and provisions	6 982	13 695
Total	***117 339***	***121 364***
Other long-term financial liabilities	16 396	22 386
Deferred tax liabilities	4 459	3 055
Total	***20 855***	***25 441***
Equity		
Paid-up equity capital	736 491	736 491
Other capital	68 540	67 968
Retained earnings (uncovered loss)	49 113	28 118
Total	***854 144***	***832 577***
Total liabilities and equity	**992 339**	**979 382**

Quality control and environmental aspects of the company's activities

Ergopak LLC is a manufacturer of household goods, namely: garbage bags, viscose and moisture-absorbing wipes and cleaning sponges, baking paper, food storage film, etc. The company's product range is very diverse, which allows it to satisfy the diverse preferences of consumers and remain a leader in the industry.

Each shipment of raw materials and auxiliary materials arriving at the production facility undergoes incoming inspection by the quality and standardization department. In addition, each stage of the technological process and the quality of finished products are monitored.

Ergopack LLC has implemented, operates, and continuously improves its quality, environmental, health, and safety management system in accordance with the requirements of international standards ISO 9001:2015, ISO 14001:2015, and OHSAS 18001:2007, certified by an international company.

A multi-level quality control procedure at each stage of production and operation of the occupational safety management system ensures high quality and safety of finished products.

The Ergopack LLC home goods factory, located in Kaniv, Cherkasy region, does not have a significant negative impact on the environment. In its work, the factory adheres to the following environmental aspects:

- using and developing production technologies with care for the environment;
- maximizing the use of secondary raw materials in production while preserving and improving the consumer properties of products;
- applying rules for optimizing resource use in all of the company's production, logistics, and operational activities;
- ensuring that all company employees are informed and trained to improve their qualifications in the field of ecology in order to develop environmental awareness and responsibility in the performance of their duties;

- ensuring open dialogue with all stakeholders about the potential hazards and environmental impact of the company's activities.

Natural gas and natural solid fuel are used for heating. The equipment used in the boiler room of the enterprise is a cascade of medium-power block units from leading manufacturers, which ensure smooth regulation of fuel consumption and allow for the use of a minimum amount of fuel, both in standby mode and in heating mode, when the outside temperature drops during the heating season. The use of environmentally friendly natural fuel, namely biofuel of plant origin (sunflower husks), ensures savings in natural gas consumption.

Ergopak LLC constantly maintains its premises in proper sanitary and environmental condition, preventing waste mixing, spoilage, and destruction.

Documentation is developed in a good time and limits for the creation and placement of waste in the environment are obtained on time, agreements are concluded (extended) for the transfer or disposal of waste with other specialized enterprises, in accordance with the limits received.

Proper storage and warehousing of waste is ensured in accordance with the approved Scheme for temporary storage of industrial and household waste, and waste is removed in a timely manner as it accumulates. Primary accounting of waste generation and treatment is carried out on an ongoing basis. The handling of used mercury (fluorescent) lamps is strictly controlled.

The reduction of hazardous waste generation at the enterprise is achieved through the following measures:

• Implementation of a comprehensive program for transitioning to the use of the newest lighting sources at the enterprise.

Expected effect: by using LED lighting, which is the most promising (the efficiency of LED lamps reaches 30 lumens per watt), it is planned to extend the service life of lighting sources from 50 to 100 thousand hours of continuous operation and significantly reduce the formation of Class 1 hazardous waste.

• Implementation of a strategy to save electricity for lighting the premises of the enterprise.

Expected effect: due to the clear distribution of the number of working and non-working hours of the enterprise, the lights are turned off at this time in premises that are not involved in production and in which workers do not work.

This will help reduce the load on the lamps and increase their service life by 30%, which will accordingly reduce the volume of Class 1 hazardous waste. This will help reduce the load on the lamps and increase their service life by up to 30%, which will accordingly reduce the volume of Class 1 hazardous waste.

Water at the enterprise is used for:

- domestic needs;
- in the process of recycling secondary raw materials, but due to the purification system, the negative impact on the environment is minimized.

Social aspects, human capital, and human resource management policy

The company's policy is based on the principles of employee equality, motivation based on performance, full compliance with labor legislation, only formal employment, and official earnings.

Employee motivation is carried out in accordance with established company policy and consists of the following types of incentives:

- incentives in the form of bonuses based on approved criteria;
- awards from the company for outstanding achievements at work;
- financial assistance for family circumstances;
- provision of a work mobile phone;
- a comfortable and modern workplace;
- transportation of employees to and from work

Workplace safety and security

Employees are provided with special clothing and personal protective equipment.
Held:

- instructions on occupational safety, fire safety, and industrial hygiene during employment for all employees of the enterprise and at workplaces;
- medical examinations (initial, periodic, unscheduled);
- workplace certification;
- testing of personnel knowledge related to high-risk work;
- regular training on providing medical assistance in the workplace;
- fire safety and emergency response plan drills;
- training in high-risk work at specialized training centers.

Staff training and education

The company invests in staff training to develop and maintain the necessary level of qualifications, taking into account the requirements and development prospects of the company.

Scheduled training is conducted according to an approved training and professional development plan, which is developed and approved at the beginning of the year.

Unscheduled training is conducted as required by production needs.

Corporate (group) training — conducted for a group of employees at training sessions or seminars organized with the help of external companies or by using the company's internal resources.

Exchange of experience — conducted for a group of employees in the form of conferences with the aim of improving work efficiency.

Internship — conducted in the workplace during the adaptation period or when transferring to another position or department.

Equal employment opportunities

Ergopack LLC adheres to the principles of non-discrimination in labor relations on the basis of gender, marital status, religion, political beliefs, nationality, age, disability, and other characteristics not related to the nature of the work or the conditions of its performance.

The company guarantees interviews to all candidates who meet the job requirements.

The special quota for the employment of persons with disabilities at the enterprise complies with established standards. The quota for the employment and placement of citizens who have additional guarantees in promoting employment complies with established standards.

Respect for human rights

The company fully complies with and enforces labor relations legislation (the Labor Code of Ukraine, the Law of Ukraine "On Employment," the Law of Ukraine "On Labor Protection," the Law of

Ukraine "On Leave," the Law of Ukraine "On Remuneration," and the Law of Ukraine "On Personal Data Protection").

The company has a registered collective agreement between the workforce and the company's management. This agreement is a regulatory document that guarantees the protection of the rights and interests of the company's employees.

Measures to combat corruption, bribery, etc.

Ergopack LLC acknowledges that compliance with all applicable laws and regulations is an established policy of the company. The company does not engage in any activities that violate applicable anti-corruption laws (collectively, "Anti-Corruption Laws").

The company is not a government agency or authority. None of the company's directors, managers, or employees are currently civil servants. No civil servant is affiliated with the company or owns, directly or indirectly, a share in the company's property.

Opportunities and risks

Opportunity and risk management system

As a market leader in household goods, Ergopack LLC is constantly exposed to a wide range of internal and external factors and events that can significantly affect the achievement of our financial and non-financial goals. Therefore, opportunity and risk management is an integral part of the company's corporate governance. We view opportunities as positive deviations and risks as negative deviations from the projected or target values for potential future development.

We identify opportunities as part of our annual strategic planning cycle, during which we analyze internal and external factors that could positively impact the development of our business. These factors may be social, economic, or environmental in nature. The main stage of our strategic planning process usually takes place in the first half of the year and begins with a comprehensive analysis of the markets. Risk analysis must take into account the fact that trends or events may affect our business in the short, medium, or long term. In addition, management and employees identify opportunities through daily observation of internal processes and markets. We have already taken into account in our planning the opportunities that we believe are highly likely to occur and have a high degree of impact.

Risk management activities are coordinated within the risk management function and report directly to the director. Responsibility for identifying and assessing risks lies with the operational units of the departments.

The company makes comprehensive use of risk management elements aimed at ensuring its continued existence and future achievements through early detection, assessment, and prevention of risks.

Risk culture and risk management objectives.

The principles of the risk management system are based on the company's strategic objectives and form the basis for proper and responsible risk management.

Involving all levels of the company in this process increases awareness and understanding of risks, which is necessary for creating a risk culture. In addition, clearly defined roles and responsibilities, principles, standards, methods, tools, and training activities create the basis for independent, active, and systematic risk management.

Identification. Risks are identified by risk owners in the company's operations and functions. To support the most complete identification of risks possible, Ergopack LLC maintains a risk field that reflects the company's potential risk categories. Ergopack LLC's risk field also clearly takes into account non-financial risks associated with our business activities or business relationships, products, and services. In accordance with the EU CSR Directive, such risks may include economic, environmental, and social issues, as well as respect for human rights, prevention of corruption, and bribery. The company's risk field is regularly reviewed and updated as necessary.

Assessment. Identified risks are assessed according to their potential impact and likelihood of occurrence, taking into account measures to mitigate them.

The degree of impact is assessed according to quantity and/or quality. The quantitative assessment reflects the possible loss of cash flows and potential profits. The qualitative assessment of losses is based on criteria such as the impact on our strategy or reputation, the potential loss of stakeholder trust, and the potential violation of sustainability principles (e.g., in the areas of security, environmental protection, or human rights). The highest rating – qualitative or quantitative – determines the overall assessment. The probability of occurrence is calculated based on a multi-year period. Risks are classified as high, medium, or low to assess their materiality to the company's operations.

Prevention. Risk owners provide all information regarding existing/potential risks to the director, and collegial decisions are made regarding the target risk level based on a cost-benefit analysis, and a risk management strategy and risk management measures are determined. These include risk avoidance, risk reduction, risk transfer, and risk acceptance.

Monitoring and improvement. The relevance and timeliness of principles, standards, methods, and tools are constantly evaluated by those responsible for risk management. For example, if the objectives and/or scope of risk of Ergopack LLC change, this will lead to adjustments.

Opportunities and risk status

Comparable risks that exist in different areas of the company's activities are combined where appropriate. The order in which the risks are listed does not imply any order of importance. Risk management processes have been developed compared to previous periods, and assessment methods are changing in line with the needs of the organization. For this reason, year-on-year comparisons of risks are only possible to a limited extent and are therefore not presented here. Where appropriate, we also describe market-specific features of opportunities and risks.

According to our understanding, risks related to aspects set out in the EU CSR Directive that must be disclosed separately must have at least a serious potential impact, and their probability of occurrence must be classified as "very likely." In 2023, we did not identify any such risks.

We provide an overview of individual risk categories along with risk classes and areas of the company's activities that are affected by such risks.

External network and partnerships

We collaborate with partners throughout the value chain of our products. Suboptimal performance by our partners may affect the development, production, or distribution of our products and services and negatively impact our business.

Some materials are only available from a limited number of suppliers. Production may be disrupted due to delivery delays. Price adjustments may also occur, which could negatively impact our margins. We counter these risks by engaging alternative suppliers, conducting procurement tenders, entering into long-term agreements, and expanding our inventory. Responsible persons regularly review and assess supplier risks.

From a company-wide perspective, there is a risk that our corporate values, ethical requirements, compliance, and sustainability will not be adequately taken into account by our external network and our partners. We counter this risk through an assessment process, a code of conduct for suppliers, and supplier evaluations and audits.

Research and development

We believe that our innovative strength provides opportunities for both the further development of our brands and the expansion of our company's research activities.

We also rely on cooperation, both within the company and the group, as well as with external partners, to increase our innovative strength. This stimulates the development of new products in the long term.

Despite all our efforts, we cannot be certain that all products we are currently developing or will develop in the future will receive approval/registration or commercial success. Among other factors, this may be due to non-compliance with technical requirements, requirements related to potential and timing, or the inability to achieve product development goals. The productivity of our research activities may also have a limiting effect in this regard. Delays or cost overruns may arise during product registration or launch. Ergopack LLC seeks to counteract this risk by holistically managing its portfolio of brands and products to assess the likelihood of success and prioritize its development projects.

Supply market

Despite all precautions, operations may be disrupted by fires, power failures, cyber attacks, or supply disruptions. This also applies to external partners. If we are unable to meet demand for our products, sales may suffer a structural decline and sanctions from customers. We counter this risk by creating secure reserves. In addition, an emergency response system based on relevant corporate policies has been implemented at all our production sites as a mandatory component of our management.

Staff

Experienced and dedicated employees are essential to the success of a company. Difficulties in recruiting, hiring, retaining, and developing highly skilled employees can have significant adverse effects on the future development of the company. In addition, an inadequate and non-transparent company culture and strategy, as well as unclear goals and requirements for employees, can lead to reduced motivation and unsatisfactory performance, and negatively affect Ergopack's attractiveness as an employer.

Based on our analysis of future requirements, we develop appropriate measures for recruitment and staff development. In addition, by adapting our company culture to diversity and employee needs, we are able to utilize the full potential of the labor market. Furthermore, conscious and transparent change management is an integral part of our human resources management, enabling us to continuously motivate our employees.

Information technologies

Ergopack's business and production processes, as well as internal and external communications, depend on global IT systems. The confidentiality of internal and external data is fundamental to the company in this regard. Loss of confidentiality, integrity, or authenticity of data, for example, due to cyber attacks, can lead to manipulation and/or uncontrolled leakage of data and know-how. Measures taken to counter this risk include high-intensity testing of the latest technologies being implemented and the implementation of projects to update technical security standards and actively study new threats (e.g., information security, cybersecurity initiative, user awareness). In addition, the existing IT infrastructure is protected from unwanted access through security measures via the Corporate Cyber Security Center.

Liquidity risk

Liquidity risks reflect the potential inability of Ergopack LLC to meet current or future payments. Liquidity risk is identified and managed by the finance function as part of our current and medium-term liquidity planning. The company has sufficient liquidity to ensure that all planned obligations are met. In addition, a reserve is maintained for unbudgeted cash shortfalls or unforeseen payments, the amount of which is regularly reviewed and adjusted.

Credit risks

Credit risks arise from the possibility of a decrease in the value of accounts receivable or other financial assets of Ergopack LLC, as counterparties may fail to make payments or fulfill other obligations. Credit limits are set for all customers. All credit limits for debtors are assessed at the local level and reported to Ergopack's finance function. Credit risks from financial transactions are managed centrally in the finance function. To minimize risks, financial transactions are only carried out within predefined exposure limits.

Opportunities and risks arising from changes in market prices

Opportunities and risks arising from fluctuations in exchange rates and interest rates in the market are managed by the finance function. Risks are avoided or mitigated through the use of derivative financial instruments. The type and level of currency and interest rate risks are explained using sensitivity analysis based on hypothetical changes in risk variables (e.g., interest rate curves) to determine the potential impact of market price fluctuations on equity and earnings. The assumptions used in the sensitivity analysis reflect our opinion of changes in currency exchange rates and interest rates that are possible within one year. These assumptions are reviewed on a regular basis.

Foreign currency opportunities and risks for Ergopack arise from changes in exchange rates and related changes in the value of financial instruments (including accounts receivable and accounts payable) and expected foreign currency receipts and payments.

Tax risks

Ergopack LLC is regularly audited by the tax authorities of Ukraine. Changes to tax laws and regulations, court decisions and their interpretation by tax authorities, as well as the conclusions of tax audits, may lead to an increase in tax expenses and payments, which will also affect the level of tax receivables, tax liabilities, and deferred tax assets and liabilities. We counteract such risks by continuously identifying and assessing tax risks.

Product safety

Ergopack LLC assesses the potential health and environmental risks of a product throughout the entire value chain.

Health safety and the environment

We are committed not only to product safety, but also to the protection of our employees and the environment. Improper actions and failure to comply with these requirements can result in personal injury, property damage, loss of reputation and damage to the environment, loss of production, business interruption, and/or liability for compensation payments. Through our principles, standards, and measures, we ensure that our requirements are adequately communicated, understood, and optimally implemented.

Quality requirements and regulation

Our activities are subject to extensive regulation, standards, requirements, and audits. Due to growing public and regulatory expectations, we continue to anticipate significantly stricter regulatory requirements, for example, for quality research or manufacturing processes. Potential violations of current or changing regulatory requirements could result in civil or criminal penalties, including significant fines, restrictions on our freedom of operation, and/or other adverse financial consequences. They could also damage the company's reputation and lead to a decline in sales and/or margins. Changing requirements may also result in increased product development costs and time, as well as necessary adjustments to the product portfolio.

We counter these risks with mandatory principles and standards and implement control mechanisms. Changes in regulatory requirements are monitored to ensure compliance. Quality requirements are defined and implemented in global quality management systems.

Business market

Digitalization is a key factor in gaining competitive advantage. If we fail to adequately integrate this development into existing business models, we may lose customers or market share. In the context of initiatives, we closely monitor the market and develop strategies that reflect the development of our business models.

Political, social, and macroeconomic environment

Changes in political, social, and macroeconomic factors such as economic growth, life expectancy, population size, and consumer behavior, as well as social trends, political crises, and instability, present opportunities for us but also involve risks.

To mitigate such risks, we closely monitor legislative decision-making processes and their potential impact on our business. We also engage in ongoing dialogue with interest groups and regulators to promote scientifically sound, rational, and responsible discussion and decision-making.

Natural disasters and crises

Our operations may be affected by natural disasters, pandemics and epidemics, terrorist activities or similar critical events. Such events may cause production stoppages or other disruptions, or result in injury and damage to our reputation, as well as a decline in sales and/or margins and require the reconstruction of damaged infrastructure.

We have implemented early warning systems, ensured continuous reporting, and conduct regular simulation exercises.

Research and innovation

Ergopack LLC plans to continue implementing production automation systems in the process of developing and improving technological processes, which will significantly improve the quality of the final product. In addition, the company implements and uses modem accounting and communication systems in its work.

In 2020, work began on the SAP accounting system, a comprehensive system for accounting and managing the company's activities. The program provides for the organization of regulated, management accounting, planning, budgeting, and effective management in all areas of the company's activities. In 2024, the company continued to work with the SAP accounting system.

Ergopack LLC also constantly updates its computer hardware and network equipment. The latest information processing and protection technologies are used.

Prospects for the company's development

For further development of the company in 2025, it is planned to increase production and sales volumes, expand distribution and sales markets.

In order to prevent risks associated with possible instability in demand for products due to a decrease in the population's purchasing power or an accidental decrease in product quality, etc., the company regularly monitors and regulates its pricing policy and conducts product quality control at all stages of production.

One of the key factors that shapes consumer loyalty to Ergopack LLC brands is the diversity of the product range, which is why the company is constantly working on its development. To this end, the company has established innovative activities.

In order to retain customers, expand the target audience, and increase loyal customers, the company constantly monitors the level of demand for various household goods, rotates and changes the design of the product range as necessary, and searches for and tests new technologies, new products, and new ways to promote and stimulate sales. In 2025, it plans to expand its range by introducing new products in the cosmetics and household chemicals categories.

To prevent risks associated with competitors' activities, company employees carefully study and analyze competitors' activities and monitor new trends in the home goods market.

In order to prevent risks associated with staff competence or turnover, the company takes measures to improve qualifications, encourage employees, and create a unified team spirit within the company.

In addition, for the further development of the company, regular improvements are made to the management structure, methods and means of work, accounting and control, production technologies, and partner relations.

Assignment and payment of the auditor

Private Joint Stock Company KPMG Audit was appointed as the auditor to conduct the mandatory audit of Ergopack LLC's financial statements for the year ended December 31, 2024. The compensation of Private Joint Stock Company KPMG Audit for the specified services amounted to 938,792 (nine hundred thirty-eight thousand seven hundred ninety-two) hryvnias (excluding VAT).

During the year ended December 31, 2024, Private Joint Stock Company KPMG Audit provided Ergopack LLC with non-audit services: review of special purpose financial statements as of and for the six months ended June 30, 2024, prepared in accordance with the accounting policies of the Sarantis Group. The remuneration of Private Joint Stock Company KPMG Audit for the services provided amounts to 648,213 (six hundred forty-eight thousand two hundred thirteen) (excluding VAT).

Signed on behalf of the management «11» 09 2025

_______________ (Acting Director) Zolotarevych T.

_______________ (Chief Accountant) Lutsenko L.

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