



KPMG d.o.o. Beograd
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TRANSLATION

Independent Auditor's Report

**To the Shareholders
of Reco Real Property ad Beograd**

Opinion

We have audited the financial statements of Reco Real Property ad Beograd (the "Company"), which comprise:

- the balance sheet as at 31 December 2023;
- the income statement for the period from 1 January to 31 December 2023; and
- notes, comprising a summary of significant accounting policies and other explanatory information (the "financial statements").

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance for the year then ended in accordance with the accounting regulations effective in the Republic of Serbia.

Basis for Opinion

We conducted our audit in accordance with the Law on Auditing of the Republic of Serbia and applicable auditing standards in the Republic of Serbia. Our responsibilities under those regulations are further described in the Auditor's Responsibility 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 the Republic of Serbia 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.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the accounting regulations effective in the Republic of Serbia, 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law on Auditing of the Republic of Serbia and applicable auditing standards in the Republic of Serbia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law on Auditing of the Republic of Serbia and applicable auditing standards in the Republic of Serbia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG d.o.o., Beograd

Signed on the Serbian original

Sanja Kočović
Licensed Certified Auditor

Belgrade, 31 May 2024

*This is a translation of the original Independent Auditor's Report issued in the Serbian language.
All due care has been taken to produce a translation that is as faithful as possible to the original.
However, if any questions arise related to interpretation of the information
contained in the translation, the Serbian version of the document shall prevail.
We assume no responsibility for the correctness of the translation of the Company's financial statements.*

KPMG d.o.o., Beograd

Sanja Kočović
Licensed Certified Auditor

Belgrade, 31 May 2024

Legal representative

ID 20302810	Code 6820	TIN 105056335
Reco Real Property a.d.		
Vuka Karadzica 10, Beograd		

Balance sheet

as of 31.12.2023

- in 000 RSD -

Account	Description	AOP	Note	Amount		
				Current year	Previous year	
					End balance	Opening balance
1	2	3	4	5	6	7
	ASSETS					
0	A. SUBSCRIBED CAPITAL UNPAID	0001				
	B. PERMANENT ASSETS (0003+0009+0017+0018+0028)	0002		1.528.567	1.605.156	0
01	I. INTANGIBLE ASSETS (0004+0005+0006+0007+0008)	0003		0	0	0
010 & part 019	1. Research costs	0004				
011, 012 & 014	2. Concessions, patents, licenses, trademarks, software and other rights	0005				
013	3. Goodwill	0006				
015 & 016	4. Intangible assets in leasing, intangible assets in progress	0007				
017	5. Advances for intangible assets	0008				
02	II. IMMOVABLE PROPERTY, PLANT AND EQUIPMENT (0010+0011+0012+0013+0014+0015+0016)	0009		1.526.138	1.600.245	0
020, 021 & 022	1. Land and construction facilities	0010				
023	2. Plant and equipment	0011				
024	3. Investment property	0012		1.526.138	1.600.245	
025 & 027	4. Leased PPE and PPE under construction	0013				
026 & 028	5. Other PPE and investments in not owed immovable property, plant and equipment	0014				
029 (part)	6. Prepayments for immovable property, plant and equipment domestic	0015				
029 (part)	7. Prepayments for immovable property, plant and equipment abroad	0016				
03	III. NATURAL ASSETS	0017				
	IV. LONG-TERM FINANCIAL INVESTMENTS (0019+0020+0021+0022+0023+0024+0025+0026+0027)	0018		0	0	0
040 (part), 041 (part) & 042 (part)	1. Investments in capital of parent companies and subsidiaries	0019				
040 (part), 041 (part), 041 (part), 042 (part)	2. Investments in capital measured according to the stake method	0020				
043, 050 (part), 051 (part)	3. Long-term investments to parent companies, subsidiaries and other related entities domestic	0021				
044, 050 (part), 051 (part)	4. Long-term investments to parent companies, subsidiaries and other related entities domestic abroad	0022				
045 (part) & 053 (part)	5. Long-term investments (loans) domestic	0023				
045 (part) & 053 (part)	6. Long-term investments (loans) abroad	0024				
046	7. Long-term financial investments (securities valued at depreciated value)	0025				
047	8. Redeemed shares and stakes	0026				
048, 052, 054, 055 & 056	9. Other long-term investments	0027				
28 (part), oc&M 288	V. Long term provisions	0028		2.429	4.911	
288	V. Deferred tax assets	0029				
	G. Current asset (0031+0037+0038+0044+0048+0057+0058)	0030		35.153	126.419	0
	I STOCK (0032+0033+0034+0035+0036)	0031		208	545	0
10	1. Material, spare parts, tools and small value inventory	0032				
11 & 12	2. Work in progress and finished goods	0033				
13	3. Merchandise	0034				

150, 152 & 154	4. Advances paid for supplies and services domestic	0035		208	545	
151, 153 & 155	5. Advances paid for supplies and services abroad	0036				
14	II Fixed assets held for sale and termination of business	0037				
20	III RECEIVABLES FROM SALES (0039+0040+0041+0042+0043)	0038		11.582	21.686	0
204	1. Trade receivables domestic	0039		11.582	21.686	
205	2. Trade receivables abroad	0040				
200 & 202	3. Trade receivables domestic - parent companies and subsidiaries	0041				
201 & 203	4. Trade receivables abroad - parent companies and subsidiaries	0042				
206	5. Other receivables from sales	0043				
21, 22 & 27	IV Other short-term receivables (0045+0046+0047)	0044		3.973	7.143	0
21, 22 oc&M 223 & 224, & 27	1. Other receivables	0045				
223	2. Receivable for overpaid CIT	0046		3.924	7.094	
224	3. Receivable for overpaid other taxes and contributions	0047		49	49	
23	V SHORT TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		0	0	0
230	1. Short-term loans and investments	0049				
231	2. Short-term loans and investments - other subsidiaries	0050				
232, 234 (part)	3. Short-term loans and investments domestic	0051				
233, 234 (part)	4. Short-term loans and investments abroad	0052				
236 (part)	5. Securities valued at depreciated value	0053				
235	6. Financial assets measured at fair value through PnL	0054				
237	7. Repurchased own shares and stakes	0055				
236 (part), 238 & 239	8. Other short-term financial investments	0056				
24	VI. CASH AND CASH EQUIVALENTS	0057		14.272	93.799	
28 (part), oc&M 288	VII. SHORT-TERM FINANCIAL PROVISIONS	0058		5.118	3.246	
	D. TOTAL ASSETS - BUSINESS ASSETS (0001+0002+0029+0030)	0059		1.563.720	1.731.575	0
88	Dj. OFF-BALANCE SHEET ASSETS	0060				
	LIABILITIES					
	A. EQUITY (0402+0403+0404+0405+0406-0407+0408+0411-0412)>=0	0401		1.440.242	1.450.001	0
30, oc&M 306	I. NOMINAL CAPITAL	0402		817.470	817.470	
31	II. SUBSCRIBED AND UNPAID CAPITAL	0403				
306	III. Premium	0404				
32	IV. RESERVES	0405				
330 & потражн& салдо рачуна	V. POSITIVE REEVALUATION RESERVES FROM INTANGIBLE ASSETS, UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER RESULT					
салдо рачуна 331, 332, 333, 334, 335, 336 & 337	UNREALIZED GAINS ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER RESULT	0406				
дуговн& салдо рачуна 331, 332, 333, 334, 335, 336 & 337	VII. UNREALIZED LOSSES ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPLETE RESULT	0407				
34	VIII. RETAINED EARNINGS (0409+0410)	0408		632.531	632.531	0
340	1. Retained earnings from previous years	0409		632.531	625.354	
341	2. Retained earnings from current year	0410			7.177	
	IX. INVESTMENTS WITHOUT CONTROLLING RIGHTS	0411				
35	X. LOSS (0413+0414)	0412		9.759	0	0
350	1. Previous years losses	0413				
351	2. Current year loss	0414		9.759		
	B. LONG-TERM LIABILITIES (0416+0420+0428)	0415		0	0	0
40	B. LONG-TERM Reserves (0417+0418+0419)	0416		0	0	0

404	1. Provisions for salaries and other benefits for employees	0417				
400	2. Warranty provisions	0418				
40 oc&M 400 & 404	3. Other long-term provisions	0419				
41	II. LONG-TERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420		0	0	0
410	1. Liabilities which can be converted into capital	0421				
411 (part) & 412 (part)	2. Long-term loans and other liabilities from parent, subsidiaries and other related entities - domestic	0422				
411 (part) & 412 (part)	3. Long-term loans and other liabilities from parent, subsidiaries and other related entities - foreign	0423				
414 & 416 (part)	4. Long-term loan and leasing domestic	0424				
415 & 416 (part)	5. Long-term loan and leasing abroad	0425				
413	6. Liabilities on issued securities	0426				
419	7. Other long-term liabilities	0427				
49 (part), oc&M 498 & 495 (part)	III. LONG - TERM ACCRUED AND DEFERRED INCOME	0428				
498	B. DEFERRED TAX LIABILITIES	0429		111.964	118.234	
495 (part)	G. LONG-TERM DEFERRED INCOMES AND DONATIONS	0430				
	D. SHORT-TERM LIABILITIES(0432+0433+0441+0442+0449+0453+0454)	0431		11.514	163.340	0
467	I. SHORT TERM LIABILITIES	0432				
42, oc&M 427	II. Short-term financial liabilities (0434+0435+0436+0437+0438+0439+0440)	0433		0	146.653	0
420 (part) & 421 (part)	1. Short-term loans from parent, subsidiaries and other related entities -domestic	0434				
420 (part) 420 (part) & 421 (part)	2. Short-term loans from parent, subsidiaries and other related entities - abroad	0435			146.653	
422 (part), 424 (part), 425 (part) & 429 (part)	3. Liabilities based on loans and borrowings from persons other than domestic banks	0436				
422 (part), 424 (part), 425 (part) & 429 (part)	4. Liabilities based on loans from domestic banks	0437				
423, 424 (part), 425 (part), 429 (part)	5. Loans, liabilities abroad	0438				
426	6. Liabilities for short-term securities	0439				
428	7. Liabilities based on financial derivatives	0440				
430	III. RECEIVED ADVANCES, DEPOSITS AND CAUTION MONEY	0441		2.995	2.999	
43 oc&M 430	IV. LIABILITIES FROM BUSINESS OPERATIONS (0443+0444+0445+0446+0447+0448)	0442		2.482	2.029	0
431 & 433	1. Trade payables - parent companies and subsidiaries domestic	0443				
432 & 434	2. Trade payables - parent companies and subsidiaries abroad	0444				
435	3. Trade payables - other companies domestic	0445		2.482	2.029	
436	4. Trade payables - other companies abroad	0446				
439 (part)	5. Bills of exchange obligations	0447				
439 (part)	6. Other liabilities from business operations	0448				
44,45,46, oc&M 467, oc&M 467, 47 & 48	V. OTHER SHORT-TERM LIABILITIES (0450+0451+0452)	0449		1.861	1.595	0
44,45 & 46 oc&M 467	1. Other short-term liabilities	0450				
47, 48 oc&M 481	2. Liabilities for value added tax and other public revenues	0451		1.861	1.595	
481	3. Liabilities for CIT	0452				
427	VI. LIABILITIES FOR ASSETS HELD FOR SALE FROM LIQUIDATED BUSINESSES.	0453				
49 (part) oc&M 498	VII. SHORT - TERM ACCRUED AND DEFERRED INCOME	0454		4.176	10.064	

	Dj. LOSS OVER EQUITY (0415+0429+0430+0431-0059) >= 0 = (0407+0412-0402-0403-0404-0405-0406-0408-0411)>=0	0455		0	0	0
	E. TOTAL EQUITY AND LIABILITIES (0401+0415+0429+0430+0431-0455)	0456		1.563.720	1.731.575	0
89	Z. OFF-BALANCE SHEET LIABILITIES	0457				

20302810	Legal representative Business code 6820	TIN 105056335
Name Reco Real Property a.d.		
Address Vuka Karadzica 10, Beograd		

Income statement
from 01.01. up to 31.12.2023.

- у хиљадама динара -

Accounts	Description	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. OPERATING REVENUE (1002+1005+1008+1009-1010+1011+1012)	1001		115.914	94.791
60	I. REVENUE FROM SALES OF MERCHANDISE (1003+1004)	1002		0	0
600, 602 и 604	1. Revenue from sales of merchandise domestic	1003			
601, 603 и 605	2. Revenue from sales of merchandise abroad	1004			
61	II. REVENUE FROM SALES OF FINISHED GOODS AND RENDERED SERVICES (1006+1007)	1005		0	0
610, 612 и 614	1. Revenue from sales of finished goods and rendered services - domestic	1006			
611, 613 и 615	2. Revenue from sales of finished goods and rendered services - abroad	1007			
62	III. REVENUES FROM ACTIVATION OF GOODS	1008			
630	IV. INCREASING THE VALUE OF INVENTORIES OF UNFINISHED AND FINISHED GOODS	1009			
631	V. DECREASING THE VALUE OF INVENTORIES OF UNFINISHED AND FINISHED GOODS	1010			
64 и 65	VI. OTHER OPERATING REVENUES	1011		102.022	94.791
68 осим 683, 685 и 686	VII. INCOME FROM ASSETS VALUE ADJUSTMENT (EXCL. FINANCIAL)	1012		13.892	
	B. OPERATING EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		116.845	77.884
50	I. COST OF GOODS SOLD	1014			
51	II. COST OF MATERIAL, FUEL AND ENERGY	1015		608	485
52	III. COST OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016		0	0
520	1. Cost of salaries	1017			
521	2. PIT and SSC on salaries	1018			
52 осим 520 и 521	3. Other personal costs	1019			
540	IV. COST OF DEPRICIATION	1020			
58 осим 583, 585 и 586	V. EXPENSES FROM PROPERTY VALUE ADJUSTMENT (EXCL. FINANCIAL)	1021		87.999	53.492
53	VI. COST OF PRODUCTION SERVICES	1022		8.014	543
54 осим 540	VII. COST OF PROVISIONS	1023			
55	VIII. NON-PRODUCTION COST	1024		20.224	23.364
	V. NET OPERATING INCOME (1001-1013) >= 0	1025		0	16.907
	G. NET OPERATING LOSS (1013-1001) >= 0	1026		931	0
	D. FINANCIAL INCOME (1028+1029+1030+1031)	1027		319	548
660 и 661	I. FINANCIAL INCOME INCURRED WITH PARENT, SUBSIDIARIES AND OTHER RELATED PARTIES	1028		66	83
662	II. INCOME FROM INTERESTS	1029		20	
663 и 664	III. CURRENCY CLAUSE INCOME	1030		233	465
665 и 669	IV. OTHER FINANCIAL INCOME	1031			
	Ђ. FINANCIAL LOSS(1033+1034+1035+1036)	1032		8.263	9.064
560 и 561	I. FINANCIAL LOSS FROM PARENT COMPANIES, SUBSIDIARIES AND OTHER RELATED PARTIES	1033		7.950	8.768
562	II. INTERESTS COST	1034		111	53
563 и 564	III. NEGATIVE CURRENCY CLAUSE	1035		202	243
565 и 569	IV. OTHER FINANCIAL LOSSES	1036			
	E. NET INCOME (1027-1032)	1037		0	0
	Z. NET LOSS (1032-1027)	1038		7.944	8.516
683, 685 и 686	Z. INCOME FROM VALUATION OF OTHER ASSETS RECOGNIZED THROUGH INCOME STATEMENT BY FAIR VALUE METHOD	1039			

583, 585 и 586	I. EXPENSES FROM VALUATION OF OTHER ASSETS RECOGNIZED THROUGH INCOME STATEMENT BY FAIR VALUE METHOD	1040		
67	J. OTHER INCOME	1041	23	63
57	K. OTHER EXPENSES	1042		
	L. TOTAL INCOME (1001+1027+1039+1041)	1043	116.256	95.402
	L.J. TOTAL EXPENSES (1013+1032+1040+1042)	1044	125.108	86.948
	M. INCOME FROM OPERATIONS BEFORE TAX(1043-1044) >= 0	1045	0	8.454
	H. LOSS FROM OPERATIONS BEFORE TAX((1044-1043) >= 0	1046	8.852	0
69 - 59	NJ. NET GAINS FROM LIQUIDATED OPERATIONS, EFFECTS OF ACCOUNTING POLICY CHANGES AND PREVIOUS PERIODS ERRORS CORRECTIONS	1047		
59 - 69	O. NET LOSSES FROM LIQUIDATED OPERATIONS, EFFECTS OF ACCOUNTING POLICY CHANGES AND PREVIOUS PERIODS ERRORS CORRECTIONS	1048		
	P. INCOME BEFORE TAX (1045-1046+1047-1048) >= 0	1049	0	8.454
	R. LOSS BEFORE TAX (1046-1045+1048-1047) >= 0	1050	8.852	0
	S. CORPORATE INCOME TAX			
721	I. TAX EXPENSE OF PERIOD	1051	7.177	4.454
722 дуг. салдо	II. DEFERRED TAX EXPENSE OF PERIOD	1052		
722 пот. салдо	III. DEFERRED TAX INCOME OF PERIOD	1053	6.270	3.177
723	T. PAID PERSONAL INCOME TO THE OWNER	1054		
	C. NET INCOME (1049-1050-1051-1052+1053-1054) >= 0	1055		7.177
	Y. NET LOSS (1050-1049+1051+1052-1053+1054) >= 0	1056	9.759	
	I. NET PROFIT BELONGING TO SHARES WITHOUT CONTROL RIGHTS	1057		
	II.NET PROFIT BELONGING TO THE PARENT LEGAL ENTITY	1058		
	III. NET LOSS BELONGING TO STAKES WITHOUT RIGHTS OF CONTROL	1059		
	IV. NET LOSS BELONGING TO THE PARENT LEGAL ENTITY	1060		
	V. EARNINGS PER SHARE			
	1. Basic earnings per share	1061		
	2. Diluted earnings per share	1062		

In Belgrade,

Legal representative

RECO REAL PROPERTY A.D. BEOGRAD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON DECEMBER 31, 2023**

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

1. General information

RECO REAL PROPERTY CLOSED JOINT-STOCK COMPANY BEOGRAD (hereinafter: "Company") is engaged in the rental of real estate (primary activity code - 6820). The Company was founded on June 25, 2007 as a Closed Joint-Stock Company, based on the Decision on Establishment.

The company's headquarters is located at Vuka Karadžića 10, Belgrade.

Eurobank Properties A.E.E.A.P. Greece became the sole shareholder and founder of the Company on August 9, 2007. On August 28, 2014, at an extraordinary General Meeting of the shareholders of Eurobank Properties A.E.E.A.P., a decision was made to change the name to Grivalia Properties Real Estate Investment Joint Stock Company.

On May 17, 2019, a merger transaction occurred involving the acquisition of the share capital of Grivalia Properties by Eurobank Ergasias S.A. Athens, Greece, where Reco Real Property AD received a new founder and became a member of the Eurobank Group. The date for recognizing the effects of intercompany transactions on the Company's balances was set as April 1, 2019. By decision of the founders' assembly on January 31, 2020, an internal reorganization led to the establishment of Eurobank S.A. as the legal successor of Eurobank Ergasias S.A.

The company's registration number is 20302810, and its tax identification number is 105056335.

The company's shares are not listed on the Belgrade Stock Exchange.

The company has no employees.

2. Overview of significant accounting policies

The basic accounting policies applied in the preparation of these financial statements are listed below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis for the preparation and presentation of financial statements

The Company maintains records and prepares regular financial statements in accordance with the applicable Law on Accounting ("Official Gazette of the Republic of Serbia", nos. 73/2019, 44/2021) and other applicable legal and regulatory frameworks in the Republic of Serbia. For the recognition, valuation, presentation, and disclosure of items in the financial statements, the Company shall apply the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), which, under the Law on Accounting, entail the following: the International Financial Reporting Standard for Small and Medium-sized Entities, approved by the International Accounting Standards Board (IASB), whose translation was determined and published by the Ministry of Finance and Economy. By the decision of the Ministry of Finance and Economy number 401-00-3683/2018-16 dated October 16, 2018, the translation of the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) was determined, and it was approved and issued by the International Accounting Standards Board (IASB) in July 2009, with amendments from May 2015.

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

This translation of IFRS for SMEs was first applied to financial statements prepared as of December 31, 2019.

The attached financial statements have been prepared in the format prescribed by the Rulebook on the Content and Form of Financial Statements Forms for Companies, Cooperatives and Entrepreneurs ("Official Gazette of the Republic of Serbia", no. 89/2020) and the Rulebook on the Accounting Framework and the Content of Accounts in the Accounting Framework for Economic Companies, Cooperatives and Entrepreneurs (Official Gazette of RS", number 89/2020).

The content and form of the forms of financial statements as well as the content of the positions contained in them are not fully in all materially significant aspects harmonized with the requirements of Section 3 of the IFRS for SMEs "Presentation of financial statements". In addition, legislation and bylaws in the Republic of Serbia prescribe accounting procedures that in some cases deviate from the requirements of IFRS for SMEs, and the Law on Accounting establishes the dinar as the official currency for reporting and presentation of financial statements.

Considering the above, the accounting regulations of the Republic of Serbia may deviate from the requirements of the IFRS for SMEs, which may have an impact on the attached financial statements, as defined by Section 3 of the IFRS for SMEs.

Accordingly, the attached financial statements cannot be considered as financial statements prepared in full compliance with IFRS for SMEs as defined by the provisions of Section 3 "Presentation of Financial Statements" and in that sense do not represent financial statements prepared in accordance with the mentioned framework for financial reporting.

2.2 Utilization of estimates and key assumptions

Compiling financial statements in accordance with IFRS for SMEs requires the application of certain key accounting estimates. It also requires the Management to use its judgment in applying the Company's accounting policies. Areas that require judgment of a greater degree or greater complexity, i.e., areas in which assumptions and estimates have material significance for the financial statements, are disclosed in Note 3.

2.3 Going concern principle

The financial statements have been prepared in accordance with the going concern principle, which implies that the Company will continue to operate in the foreseeable future.

The Company realized a net loss in the amount of RSD 9,759 thousand for the year ending December 31, 2023 (net profit in the amount of RSD 7,177 thousand for the year ending December 31, 2022) and the Company's short-term assets exceed short-term liabilities in the amount of RSD 23,639 thousand as of December 31, 2023 (December 31, 2022: the Company's short-term liabilities exceed short-term assets in the amount of RSD 36,921 thousand). The accumulated profit of the Company stated in the balance sheet as of December 31, 2023 is RSD 622,772 thousand (December 31, 2022: RSD 632,531 thousand). The main reason for loss in the current year is primarily due to the decrease in the value of investment properties in the amount of

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

RSD 74,107 thousand for the year ending on December 31, 2023 compared to RSD 53,492 thousand for the year ending on December 31, 2022.

As of December 31, 2023, the Company is almost entirely financed from assets, since the obligations based on loans to the parent company were settled during 2023.

As disclosed in Note 18, on February 14, 2024, the Company's shareholder signed an agreement with Brook Holding doo, Novi Beograd on the purchase and sale of shares. This contract envisages the sale of 817,470 ordinary shares of the Company with the right to finalize the transaction as soon as the approvals and consents of the competent state authorities for the protection of competition are obtained on the basis of concentration notifications.

The Company's management believes that these circumstances do not indicate the existence of material uncertainty that may cause significant doubt about the Company's ability to continue operating in accordance with the going concern principle.

2.4 Accounting basis

Financial statements are prepared based on the historical cost principle, except for investment properties where the basis for measurement is fair value.

2.5 Comparative data

The accounting policies and estimates regarding the recognition and valuation of assets and liabilities, used in the preparation of these financial statements are consistent with the accounting policies and estimates applied in the preparation of the Company's annual financial statements for 2022.

2.6 Conversion of foreign currencies

(a) Functional and presentation currency

Items included in the Company's financial statements are measured and presented in dinars ("RSD") as RSD represents the Company's functional and presentation currency.

The exchange rates applied on the balance sheet date are as follows:

Currency	December 31, 2023	December 31, 2022
EUR	117,1737	117.3224

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction or the valuation date if items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end are recognized in the income statement.

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

2.7 Investment property

Investment property is property held to earn rental income or for equity appreciation, or both, and is not used by the Company.

After initial recognition at cost, investment properties for which fair value can be reliably measured without undue cost on an ongoing basis are measured at fair value at each reporting date, with changes in fair value recognized in profit or loss. Fair value is derived from current comparable market prices, determined annually by an external appraiser. Appraisers use active market prices, adjusted if necessary, for any changes in the nature, location, or condition of the specific asset.

Repair and maintenance costs are expensed in the period in which they are incurred and are recognized in the income statement.

2.8 Cash and cash equivalents

Cash and cash equivalents are recognized in nominal amounts and include funds in dinar and foreign currency current accounts with banks.

2.9 Equity

Equity includes share capital and the results of the current and previous years. Ordinary shares are classified as equity when there is no obligation to pay in cash or other assets. Additional external costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.10 Financial liabilities

Financial liabilities include liabilities for loans from related parties, liabilities for loans from parent and subsidiary companies, as well as liabilities to suppliers and other operating liabilities. These are initially recognized at fair value of the proceeds received, net of transaction costs incurred. In subsequent periods, loan liabilities are stated at the nominal value of the outstanding debt; any differences between the proceeds received (net of transaction costs) and the repayment amounts are recognized in the income statement over the loan period using the nominal interest rate method.

2.11 Provisions

All provisions are measured at the balance sheet date and adjusted to reflect the Company management's current best estimate.

2.12 Current and deferred income tax

Current income tax is calculated at the balance sheet date based on the applicable tax regulations of the Republic of Serbia, where the Company operates and earns taxable income. Management periodically assesses items in the tax return in light of circumstances where the applicable tax regulations are subject to interpretation, and provisions are made, if appropriate, based on the amounts expected to be paid to the tax authorities.

Income tax at a rate of 15% (2022: 15%) is paid based on the annual profit reported in the Tax Balance. To arrive at the taxable profit amount, accounting profit is adjusted for

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

certain permanent differences and reduced by certain investments made during the year. The annual tax balance is submitted by June 28 of the following year. The tax balance for 2023 was not submitted by the date of the Company's financial statements due to the ongoing transfer pricing study. The Company has calculated tax effects based on the Corporate Income Tax Law. The Management believes that transfer pricing will not have a materially significant effect on the 2023 results.

Deferred income tax is fully accounted for using the liability method for temporary differences that arise between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, does not affect either accounting or taxable profit or loss.

Deferred income tax is measured using the tax rates (and laws) that are in effect at the balance sheet date and are expected to be applied in the period when the deferred tax assets will be realized or the deferred tax liabilities settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

2.13 Revenue recognition

Revenue includes the fair value of amounts received or receivables for the sale of goods and services in the ordinary course of the Company's business. Revenue is recognized net of VAT, returns of goods, rebates, and discounts.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that the Company will receive economic benefits in the future, and specific criteria for each of the Company's activities are met as described below. Revenue is not considered reliably measurable until all potential obligations related to the sale are resolved. The Company bases its estimates on past business results, taking into account the type of customer, type of transaction, and specific terms of each deal.

(a) Rental income

The Company engages in leasing investment properties and generates business revenues, namely rental income, on that basis. Rental revenues are based on contracts with tenants with fixed prices for the leased space. Rental income is recognized on a straight-line basis over the lease term.

(b) Interest income

Interest income is recognized using the effective interest rate method. In case of impairment of receivables, the Company reduces the carrying amount of the receivable to its recoverable amount, which represents the estimated future cash flows discounted at the original effective interest rate of the financial instrument, and continues to recognize changes in the discount as interest income.

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

3. Information about key estimates of uncertainties and assumptions

Estimates and assumptions are continuously reviewed. They are based on historical experience and other factors, including future expectations.

The Company makes estimates and assumptions relating to the future. The resulting accounting estimates are, by definition, rarely equal to the actual results achieved. Regarding estimates and assumptions containing the risk of causing materially significant adjustments to the carrying values of assets and liabilities during the next financial year, they will be discussed further below.

3.1 Fair value of investment property

The fair value of investment properties is derived from the current market prices of comparable properties. Fair value is based on an assessment conducted by an independent appraiser holding relevant appraisal license.

The best evidence of fair value is the current price in an active market for similar properties or leases. In the absence of such information, the Company determines the fair value estimate within the scope of reasonable valuation. The Company's current practice is to use the services of external appraisers when the market in which it operates shows signs indicating a change in fair value.

The fair value assessments by external appraisers are based on:

1. The current price in an active market for properties of different nature, condition, and location adjusted to reflect the differences.
2. Recent prices for similar properties in a less active market, adjusted to reflect changes in economic conditions from the date of the transaction performed at that price.
3. Discounted cash flow projection based on a reliable estimate of future cash flows derived from existing lease or contract conditions and (where possible) from external records such as current market leases for similar properties in similar locations and conditions, using a discount rate that reflects the current market assessment of uncertainty in the amount and timing of cash flows.

The Company conducts a fair value assessment of investment properties at the end of each reporting period.

3.2 Deferred tax assets and liabilities

In accordance with accounting regulations applicable in the Republic of Serbia, the Company is required to disclose deferred taxes determined through the difference between the accounting basis of assets and the tax basis of assets. A significant estimation made by the Management is required to determine the amount of deferred tax assets and liabilities that can be recognized, based on the timing and amount of future taxable profits and tax planning strategy.

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

4. Cash and cash liabilities

	31/12/2023	31/12/2023
Current account – Eurobank Direktna a.d. Beograd	8,552	29,693
FX account – Eurobank Direktna a.d. Beograd	5,720	64,106
Total	14,272	93,799

5. Receivables from sales and other receivables

	31/12/2023	31/12/2023
Receivables from sales – domestic	11,582	21,686
Other receivables (property tax overpayment, VAT, Profit tax)	3,973	7,143
Total	15,555	28,829

6. Investment property

	2023	2022
Initial carrying amount	1,600,245	1,653,737
Net loss from fair value adjustments – estimate (Note 13)	(74,107)	(53,492)
Final carrying amount	1,526,138	1,600,245

Investment properties are carried at fair value based on an assessment conducted by the appraisal company. The effect of fair value adjustment is recorded through the income statement. Investment properties include:

- 1) Business premises located at Terazije 7-9, Belgrade, Republic of Serbia, registered under cadastral plot number 2814, Cadastral Municipality Stari Grad, with a total area of 5,720 m².

As of December 31, 2023, an appraisal of the property was conducted by the appraisal company Proprius SPLLC, according to which the market value of the property amounts to EUR 11,861 thousand (RSD 1,389,850 thousand at the exchange rate on December 31, 2023).

- 2) Commercial building in Niš, Obrenovićeveva 33, registered in the land registry for Cadastral Municipality Niš-Bubanj, on cadastral plot number 1165, plot 3957 (land registry entry number 3089, Cadastral Body II existing on plot 2922), with a total area of 653 m².

As of December 31, 2023, an appraisal was conducted by the appraisal company Proprius SPLLC, according to which the market value amounts to EUR 1,163 thousand (RSD 136,287 thousand at the exchange rate on December 31, 2023).

7. Prepayments and accrued income

As of December 31, 2023, prepayments and accrued income (AVR) amount to RSD 3,107 thousand (December 31, 2022: RSD 5,124 thousand), representing the effect of rent-free months. The long-term component of AVR as of December 31, 2023,

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

amounts to RSD 2,429 thousand (December 31, 2022: RSD 4,911 thousand), while the short-term component on the same date amounts to RSD 678 thousand (December 31, 2022: RSD 213 thousand).

8. Equity

	Share capital	Undistributed profit	Total
Balance as at January 01, 2022	817,470	625,354	1,442,824
Profit for the year	-	7,177	7,177
Balance as at December 31, 2022	817,470	632,531	1,450,001
Balance as at January 01, 2023	817,470	632,531	1,450,001
Loss for the year	-	(9,759)	(9,759)
Balance as at December 31, 2023	817,470	622,772	1,440,242

Subscribed and paid capital of the Company is:

- Cash: EUR 11,095.27, which, at the average exchange rate on the date of payment, amounts to RSD 906 thousand.
- Non-cash: EUR 10,000,000.00 or RSD 816,564,000.00, consisting of ownership rights over the property located at Terazije 7-9, Belgrade, Republic of Serbia, and the right to use the land serving the regular use of the property, registered under cadastral plot number 2814, Cadastral Municipality Stari Grad. The property has a total area of 5,720 m², and the land serving the regular use of the property is 2,052 m².

No dividends were paid by shareholder decisions in 2022 and 2023.

9. Short-term liabilities

	31/12/2023	31/12/2023
Loans from parent legal entity Eurobank S.A.	-	146,653
Trade payables – domestic and foreign	2,482	2,029
Liabilities for deposits received	2,995	2,999
Liabilities for value added tax and other taxes	1,861	1,595
Accruals and deferred income	4,176	10,064
Total	11,514	163,340

On November 1, 2023, the Company repaid a loan from its parent company in the amount of EUR 1,250 thousand. On the same day, an interest payment of EUR 32 thousand was made, while the remaining interest amount was paid on December 20, 2023, in the amount of EUR 91 thousand.

10. Other operating income

Other operating income in the amount of RSD 102,022 thousand (2022: RSD 94,791 thousand) relates to rental income earned under the following contracts:

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

a) Lease agreement with Eurobank Direktna a.d. Beograd:

This agreement has been in effect since October 1, 2012, and concerns the lease of office space at Terazije 7-9 in Belgrade. The agreement is concluded for a period of 40 years with a revision of the agreed conditions after 10 years from the start of the agreement, and every 5 years thereafter. Income from this agreement amounts to RSD 40,198 thousand (2022: RSD 34,660 thousand).

b) Lease agreement with Eurobank Direktna a.d. Beograd:

This agreement has been in effect since October 1, 2012, and concerns the lease of office space at Terazije 7-9 in Belgrade. The agreement is concluded for a period of 40 years with a revision of the agreed conditions after 10 years from the start of the agreement, and every 5 years thereafter. Income from this agreement amounts to RSD 40,198 thousand (2022: RSD 34,660 thousand)

c) Lease agreement with SUPER VOK d.o.o. Beograd:

This agreement has been in effect since March 1, 2012, and pertains to the building located at Obrenovićeveva Street No. 33 in Niš. The lease term is limited to 40 years. Income from this agreement amounts to RSD 13,741 thousand (2022: RSD 11,825 thousand).

d) Lease agreement with SUPER VOK d.o.o. Beograd:

The subject of this agreement is the lease of office space at Terazije No. 7-9 in Belgrade. The agreement has been in effect since May 15, 2018. The lease term is limited to 122 months. Income from this agreement amounts to RSD 12,730 thousand (2022: 11,190 thousand).

e) Lease agreement with I & F Grupa d.o.o. Beograd:

The subject of the contract is the lease of office space at Terazije Street No. 7-9, Belgrade. The contract has been in effect since November 01, 2019, with a lease period set for 3 years, until November 1, 2022. After the expiration of the lease term, an addendum to the lease agreement was concluded, extending the duration of the contract for the next 3 years, until November 1, 2025. In 2023, specifically on November 1, 2023, a contract assignment agreement was signed between the Company I & F Grupa d.o.o. and the Company I & F Mediabrands d.o.o., through which the Company I & F Mediabrands assumed all rights and obligations from the lease agreement. Income from this agreement amounts to RSD 35,353 thousand (2022: RSD 37,116 thousand)

11. Operating expenses

The structure of operating expenses is as follows:

	2023	2022
Costs of fuel and energy	608	485
Costs of production services	8,014	543
Non-production costs	20,224	23,364
Total	28,846	24,392

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

Non-material expenses in the amount of RSD 20,224 thousand (2022: RSD 23,364 thousand) mainly consist of property tax in the amount of RSD 8,802 thousand (2022: RSD 8,707 thousand), accounting services in the amount of RSD 4,320 thousand (2022: RSD 3,982 thousand), insurance costs in the amount of RSD 1,231 thousand (2022: RSD 1,182 thousand), while the amount of RSD 5,871 thousand (2022: RSD 9,493 thousand) pertains to consulting services, legal fees, audit fees, withholding tax, and other expenses.

12. Financial income and expenses

	2023	2022
Financial expenses:		
Interest expenses on financial liabilities – related entities (Note 15)	(7,950)	(8,768)
Default interest	(111)	(53)
FX losses	(202)	(243)
Financial expenses	(8,263)	(9,064)
Financial income:		
Income from interest – related entities	66	83
Income from interest – unrelated entities	20	-
FX gains	233	465
Financial income	319	548
Net financial expenses	(7,944)	(8,516)

13. Other income and expenses

	2023	2022
Extraordinary income (rounding-up)	23	63
Property fair value adjustment expenses (Note 6)	(87,999)	(53,492)
Property fair value adjustment income (Note 6)	13,892	-
Other income and expenses total	(74,084)	(53,429)

14. Income tax

	2023	2022
Current income tax for the year	7,177	4,454
Deferred tax income of the period	(6,270)	(3,177)
Income tax	907	1,277

During 2023, the Company made advance payments for corporate income tax totaling RSD 4,454 thousand. According to the draft tax return, the corporate income tax liability for 2023 amounted to RSD 7,177 thousand. The difference between the determined liability and the advance payments will be settled from the previously recorded corporate income tax prepayment. The total corporate income tax prepayment as of December 31, 2023, amounts to RSD 3,924 thousand.

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

The pre-tax profit of the Company differs from the theoretical amount that would arise by applying the weighted average tax rate and would be as follows:

	2023	2022
Profit before taxation	-	8,454
Loss before taxation	(8,852)	-
Tax calculated at the prescribed tax rate – 15%	(1,328)	1,268
Effect of tax-unrecognized expenses	13,351	8,031
Effects of difference in tax and accounting depreciation	(4,846)	(4,846)
Effects of deferred taxes	(6,270)	(3,177)
Tax expense	907	1,276
Effective tax rate	/	15.1%

As of December 31, 2023, the Company recognized deferred tax liabilities amounting to RSD 111,964 thousand (December 31, 2022: RSD 118,234 thousand) due to temporary differences between the net value of investment properties in the financial statements and their tax-recognized values.

	Difference in net value of investment property
Deferred tax liabilities as at January 01, 2023	118,234
Directly charged to income statement (deferred tax income for the period)	(6,270)
Balance as at December 31, 2023	111,964

15. Transactions with related legal entities

In preparing these financial statements, legal entities are treated as related if one legal entity has the ability to control another legal entity or exerts significant influence over the financial and operational decisions of the other entity. When considering all possible types of relationships between related legal entities, attention is focused on the substance of the relationship, not just its legal form.

During the year, the Company engaged in transactions with related legal entities, as well as with its founder or parent legal entity.

An overview of the revenues and expenses from transactions with related legal entities, as well as with the parent company, is provided in the following table:

	2023		2022	
	Income	Expenses	Income	Expenses
Related legal entity				
Eurobank Direktna a.d. Beograd	43,025	238	46,568	321
Total	43,025	238	46,568	321
Parent company				
Eurobank S.A. (napomena 12)	-	7,950	-	8,768
Total	-	7,950	-	8,768

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

Eurobank Direktna a.d. Beograd charges fees for account maintenance and transaction fees. Additionally, expenses include rental costs that the Company pays to Eurobank Direktna a.d. Beograd for the registered office at Vuka Karadžića 10, while revenues include rental income from properties leased in Belgrade and Niš amounting to RSD 42,968 thousand (2022: RSD 46,485 thousand), as well as interest income on demand deposits amounting to RSD 58 thousand (2022: RSD 83 thousand).

Expenses from Eurobank S.A. refer to interest expenses on loans.

The table below shows the balances of receivables and payables arising from the aforementioned transactions:

	31/12/2023		31/12/2023	
	Assets	Liabilities	Assets	Liabilities
Related legal entity				
Eurobank Direktna a.d. Beograd (Note 4)	-	-	93,799	-
Total	-	-	93,799	-
Parent company				
Eurobank S.A.	-	-	-	153,214
Total	-	-	-	153,214

In the tables above, data for Eurobank Direktna a.d. Beograd are shown as of October 31, 2023, since it is no longer a related party from November 1, 2023.

Compensation for the Management

Key management includes the members of the Supervisory Board. The legal representative and members of the Supervisory Board perform their duties in the Company without compensation. In 2022 and 2023, no fees were paid to the board members or the legal representative.

16. Reconciliation of Receivables and Liabilities

The Company reconciled receivables and liabilities as of December 31, 2023. Based on the conducted reconciliation, no materially significant discrepancies were identified.

17. Contingent liabilities

During its regular business operations, the Company is not involved in any legal proceedings or arbitrations against the Company. Based on the Management's assessment, there are no such potential liabilities that the Company expects to be material for the period ending December 31, 2023.

Reco Real Property AD, Beograd

Financial statements for the year ended on December 31, 2023

(All amounts are stated in 000 RSD, unless otherwise specified)

18. Events after the balance sheet date

On February 14, 2024, the Company's shareholder signed an agreement with Brook Holding d.o.o., Novi Beograd, regarding the sale of shares. This agreement provides for the sale of 817,470 ordinary shares of the Company, with the transaction to be completed as soon as approvals and consents from the relevant state competition protection authorities are obtained based on the notifications of concentrations.

In Belgrade,

Legal representative:

Date, May 31, 2024

Vladimir Tofoski