

Annual Report 2023

Penta Investments Limited

PENTA

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Corporate data

CORPORATE DATA OF PENTA INVESTMENTS LIMITED

COMPANY NAME:

PENTA INVESTMENTS LIMITED

REGISTRATION NUMBER:

HE 428480

LEGAL FORM:

Private Limited Liability Company

SHARE CAPITAL AS AT 31 DECEMBER 2023:

EUR 2,147,120

NUMBER AND CLASS OF SHARES IN ISSUE**AS AT 31 DECEMBER 2023:**

1,000,000 Ordinary Shares

1,147,120 Redeemable Shares

NOMINAL VALUE PER SHARE:

EUR 1 per Ordinary Share

EUR 1 per Redeemable Share

PRINCIPAL ACTIVITIES:

Holding and Trade of Investments in Shares and other Securities.

REGISTERED OFFICE:

Agias Fylaxeos & Polygnostou Street, 212
C&I Center, 2nd Floor

3082 Limassol

Cyprus

DATE OF INCORPORATION:

13 December 2011

AUDITOR:

Ernst and Young Cyprus Limited

BOARD OF DIRECTORS:

Marek Peterčák

Michal Vrzgula

The information on this page was extracted directly from the unmodified audited annual consolidated financial statements of Penta Investments Limited, which were approved by the Board of Directors on 22 March 2024 and signed on its behalf by Mr. Marek Peterčák and Mr. Michal Vrzgula. These summary financial statements do not contain sufficient information to allow a full understanding of the results and state of affairs of the Group as would be provided by the full annual consolidated financial statements.

Director's Statement

Dear Shareholders,

I am delighted to report that, thanks to a focus on operating improvements within our core businesses - particularly within the pharmaceutical, healthcare and banking sectors - in 2023 the Penta Group (the "Group") demonstrated solid financial results, achieving a Net Profit of EUR 504 million, with a Return on Equity of 15% and Total Equity reaching EUR 3.85 billion.

This trend is set to continue in the following years, as the Group maintains its disciplined focus on operations; its long-term project development plans and fulfilment of its significant M&A pipeline.

During 2023, all countries across Europe experienced high levels of inflation and a significant increase in interest rates. Thanks to the effort of our operating teams and the successful management of our key portfolio companies, the Group managed to continue profitable growth in all its core markets, with a focus on cost control and a strategy of selective price increases; synergies in add-on acquisitions; supplier re-negotiations; productivity and efficiency improvements.

Further economic recovery is expected during 2024. Forecasts suggest that interest rates will start to come down and it is anticipated that this will stimulate an increased demand from consumers in our retail and services companies, as well as within the real estate sector.

Adverse geopolitical factors, such as the continuing war in Ukraine and conflict in the Middle East had very limited impact on the Group's business, as it does not operate within, or have direct connections to, these markets.

Substantial emphasis was placed on successfully streamlining the activities of the Group during 2023. Part of that effort involved decisions to either exit, or discontinue specific initiatives which did not fit Penta's

overall business strategy, therefore freeing resources for re-deployment in remaining projects, or to support future expansion plans. This streamlining process, which began a few years ago, has involved some difficult decisions, however, narrowing the historically very broad portfolio of the Group has allowed for a much more efficient allocation of assets.

In 2023 the Group placed greater emphasis on its Tier 1 projects in sectors such as retail pharmacies; hospitals and healthcare; real estate; sports betting and media, with some significant add-on acquisitions and exploration within new markets.

Dr.Max chain of pharmacies continues to be one of the main drivers of the Group's good performance and in 2023 saw a very significant increase in the chain's total number of points of sale. This was mainly as a result of two large acquisitions: Gideon Richter Farmacia in Romania, followed by Dr.Max's biggest acquisition yet, with the purchase of the Neo Apotek chain in Italy. These transactions, together with continuing organic growth, fuelled Dr.Max's further expansion in the European market.

Prima banka and Privatbanka once again showed strong performances in 2023, mainly due to favourable conditions in the interest rate market, with the European Central Bank further increasing its key rates. This allowed both banks to continue improving their operating margins whilst keeping risk at relatively low levels.

Fortuna sports betting house leveraged on its significant investments in technology and, despite having to absorb additional regulatory and tax burdens imposed across multiple jurisdictions, recorded strong results during the year.

Penta Hospitals group of healthcare providers achieved a significant milestone in 2023 with the completion of the New Generation Hospital in Bory, Bratislava. This hospital (which is the only one of its kind in the region) opened its doors to patients in March 2023 and is now fully operational, with state-of-the-art equipment, providing world class in-patient and out-patient care in Slovakia.

Meanwhile, the disposal of a chain of hospitals in Central Slovakia finalised in Q3 of 2023 allowed the Group to focus its efforts on other regions. Grupa Nowy Szpital, a sizeable acquisition in Poland, together with various acquisitions of specialized care providers in the Czech Republic, underline the Group's dedication to growth and also its expansion into other areas of healthcare, such as long-term care and the specialised rehabilitation sector.

In June 2023, the exit from Polish frozen food producer Iglotex was completed through disposal of the Group's 50% stake to its co-shareholder. The strong performance of this project in 2022 contributed to excellent exit conditions.

Empik, a Polish multi-category, omnichannel marketplace (in which the Group maintains a 49% stake, after a successful partial divestment to the management in 2022) continued to grow in all its core sectors and completed the modernisation of its main warehouse systems. The Group intends to maintain its stake and fully supports Empik's expansion plans going forward.

The Group's aluminium producer Slovalco, located in Slovakia, was forced to cease primary productions towards the end of 2022, as high energy prices had made operations unsustainable. Nevertheless, the business continued with limited recycled aluminium smelting during 2023 and the company's management is currently exploring the possibility of re-starting its primary

production in 2024. This had not been possible until this point, owing to high energy costs combined with a low market price for aluminium.

The stagnation of the real estate sector in 2023, due to external factors, such as higher mortgage rates for residential property and the tightening of financing for commercial premises, occurred as expected. Despite complicated market conditions, the Group managed to continue delivering its ongoing projects, whilst adjusting its pipeline developments where necessary. A decrease in appetite for construction within the market provided excellent opportunities for the Group to acquire a significant amount of land for future development, such as the ČSAD portfolio in Prague and the Chalúpkova plot in Bratislava. The Group's real estate success story of the year was the opening of the award winning Masaryčka office building in Prague, with its unique architecture designed by the world-renowned Zaha Hadid Architects studio.

The ownership structure of Penta Group remains unchanged in 2023. Mr. Jaroslav Haščák and Mr. Marek Dospiva continue with transfer of their stakes within Penta Investments Group Limited (the 100% owner of Penta Investments Limited) to their respective family trusts. Finalisation of this process is subject to regulatory approval.

I would like to take this opportunity to express my sincere gratitude to employees of Penta Group and its affiliated companies for the outstanding work they have once again undertaken, despite ongoing challenging economic conditions, throughout last year. Their dedication, attention to detail and collaborative spirit have been at the core of Penta Group's continued success. I would also like to extend my thanks to our business partners for their continued trust and support and, together, I look forward to another exciting and fruitful year ahead.

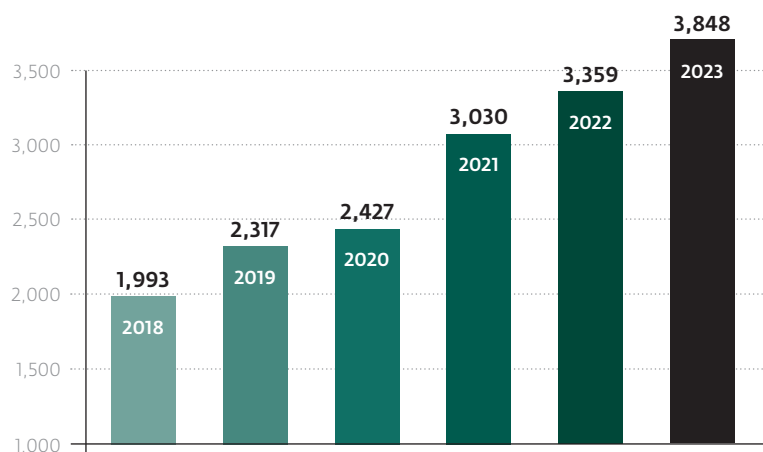


Marek Peterčák
Director

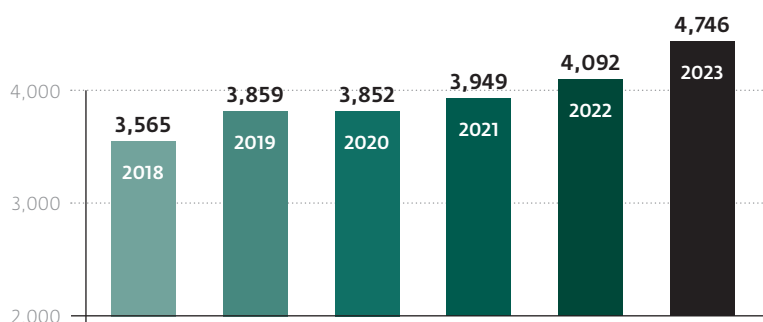


Financial Highlights

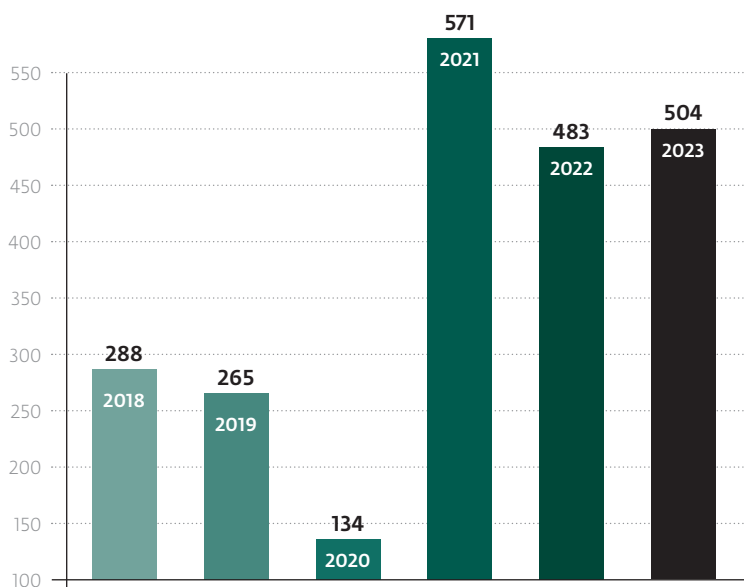
Equity Attributable to Shareholders
3,848
(in EUR million)



Total Assets
4,746
(in EUR million)



Consolidated Profit Attributable to Shareholders
504
(in EUR million)



2023 Buyout Activity



During 2023, Penta Buyout has continued to expand its market position in its core business sectors of retail, healthcare, financial services and media, through organic growth and add-on acquisitions.

ACQUISITIONS

Dr.Max

One of the largest pharmacy chains in Europe

During 2023 Penta invested more than €404 million in new acquisitions.

– *Neo Apotek SpA, Italy*

This acquisition is the largest single acquisition ever made by the Dr.Max group (in terms of acquired Enterprise Value). Neo Apotek SpA is the third largest pharmacy chain in Italy, with 133 points of sale. Dr.Max continues to pursue its strategy to build critical mass and become the leading pharma retail player in, what is still, a very fragmented market in Italy.



Thanks to this acquisition, Dr.Max's Italian presence increased significantly, both in terms of the number of pharmacies, as well as market share. This will strengthen Dr.Max's brand awareness; support a faster roll-out of its private label products and enhance Dr.Max's omnichannel approach to the retail market.

– *Gedeon Richter Farmacia S.A., countrywide, Romania*

In line with Dr.Max's ambition to further consolidate the Romanian market, the group acquired Gedeon Richter Farmacia S.A., a national chain of 94 pharmacies and Pharmafarm S.A., the fifth largest wholesale player in the Romanian pharma market, operating six warehouses with nationwide coverage.

– *Other acquisitions*

Dr.Max also strengthened its market share in the Czech Republic, Serbia and Slovakia with the acquisition of smaller pharmacy chains.

Media Slovakia

– *FPD Media a.s., countrywide, Slovakia*

News and Media Holdings, a.s., the leading Slovak print and online publishing house, acquired FPD Media a.s., the owner of the Slovak daily tabloid newspaper Nový Čas, which is, by far, the most successful daily newspaper in terms of volumes sold.

Penta Hospitals International (PHI)

Owner of hospitals in the Czech Republic, Slovakia and Poland

– *Grupa Nowy Szpital, countrywide, Poland*

PHI acquired Grupa Nowy Szpital Holding, the second largest privately owned hospital operator in Poland, with ten general hospitals and two other entities, which carry out complimentary healthcare services. PHI has become a leader in the private hospital market in Poland, effectively doubling its presence in the Polish healthcare market.

– *New Generation Hospital in Bory, Bratislava, Slovakia*

Construction of the state-of-the-art New Generation Hospital, on the western side of Bratislava, was completed in 2022. The hospital opened for patients with limited activities in March 2023, gradually opening remaining departments over the course of several months, becoming fully operational by the second half of 2023.

Since the opening of the most modern hospital in Central Europe, PHI has been able to offer services in more than 50 specializations, across almost all disciplines of medicine, providing patients with state-of-the-art surgical theatres, a cutting-edge maternity ward and quick access emergency department.

DISPOSALS

Iglotex

– *Iglotex Sp z o.o, countrywide, Poland*

During last year, Penta continued its long term plan to divest selected non-core Tier 2 investments with the closing of the Iglotex transaction. Penta's 50% equity participation in this leading Polish frozen food producer and distributor has been disposed of to its co-shareholder.

Penta Hospitals International (PHI)

Owner of hospitals in the Czech Republic, Slovakia and Poland

– *Central Cluster: hospitals & outpatient units in Central Slovakia*

PHI disposed of its Central Cluster (consisting of three hospitals and two outpatient clinics situated in the central region of Slovakia). This transaction allows the group to better allocate and focus resources in



other Slovak regions, in line with the new legislative stratification of hospitals within the Slovak healthcare system.

2023 Real Estate Activity



ACQUISITIONS

During 2023, Penta Real Estate acquired land plots of 142.200 sqm, allowing for a significant expansion of Penta's RE development portfolio

ČSAD Portfolio

Portfolio of several assets in various locations in Prague, Czech Republic

The central asset acquired in the ČSAD portfolio is Florenc 21, an expansive area of 31,500 sqm surrounding the bus terminal in Prague 8, Florenc. This strategic acquisition is designated for a future flagship mixed-use development, with a potential gross buildable area of 68,800 sqm. Additionally, this transaction encompasses the takeover of the bus terminal operations.



Other notable buildings acquired as part of this strategic deal are Bastion, Hotel Perla and Washingtonova 25. Bastion is an A-class office building completed in 2022, offering 4,280 sqm of GLA in Prague 8. Hotel Perla, offering 64, 4-star standard rooms, located in the historical city centre of Prague 1. Washingtonova 25 is a B-class office building located in Prague 1 comprising 3,700 sqm office space. As part of the transaction, Penta Real Estate expanded its land holdings to include plots in Smíchov, Karlín, Třebonice and Nusle locations as well.

Chalúpkova

Land plot intended for prime mixed-use development, Bratislava I, Slovakia

This 33,100 sqm land plot, situated in the Mlynské Nivy area, is a brownfield site intended for a dual-purpose development, integrating residential and office spaces. The residential aspect of this acquisition aims to introduce approximately 1,270 units, while the commercial element will provide 38,900 sqm of office area, complemented with an additional 6,700 sqm of retail premises.

Howden

Residential development project in Prague 9 – Libeň, Czech Republic

In December 2023, Penta successfully acquired a substantial 53,200 sqm land plot in Prague 9. The existing outdated industrial building on the site is scheduled for re-development, with plans for approximately 1,600 residential units to be developed in four phases. Additionally, 9,700 sqm of commercial areas are earmarked to cater for the location's needs. Penta Real Estate holds a 40% stake in this project, while a JV partner controls the remaining 60%.

Masaryk Station – Area 3

Mixed-use development project in Prague 1, Czech Republic

In 2023, a substantial add-on acquisition bolstered the existing project, enlarging the original site by an additional 24,400 sqm for future mixed-use development. This expansion allows for 25,300 sqm of additional office areas; 12,700 sqm of retail premises and approximately 280 residential units. Phases 2 and 3 of the Masaryk Station project aspire to inject new dynamics and opportunities into the area and its surroundings, further enhancing this project's positive impact.

DISPOSALS

Tři Nemovitosti – Dykova Building

Land plot intended for residential development in Prague 10 – Vinohrady, Czech Republic

In 2021, Penta acquired a land plot featuring a B-class office building, with a lettable area of 3,400 sqm, envisioning a future residential development. This prestigious project aimed to deliver approximately 70 high-end flats in a coveted location. However, in December 2023, the sale of this land plot to a Czech investor was successfully executed as part of a strategic disposal decision. Post-disposal, Penta Real Estate retains ownership of industrial premises situated in Hostivař and Prosek within the Tři Nemovitosti project.

Dvorce

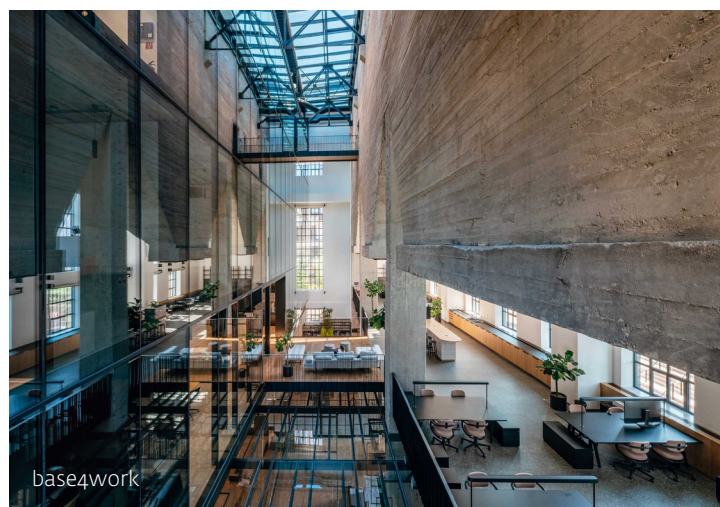
Land plot intended for residential development in Prague 4 – Dvorce, Czech Republic

In September 2021, Penta acquired a 5,500 sqm land plot in Prague 4 with the intention of residential development. The initial vision for the project included the delivery of 50 flats and a commercial unit available for lease. However, in December 2023, the land plot underwent a successful sale to a Czech investor. This strategic move reflects Penta's commitment to agile portfolio management and aligns with its internal strategy for developing larger-scale projects.

base4work

Co-work – flexible offices, in Prague, Czech Republic

Flexible offices base4work, which offer 2,200 sqm of design work space, are located in close proximity to the main railway station. This project was sold to a well-established operator of several co-working premises located in Prague, in December 2023. The base4work concept, located in the Jurkovič Heating Plant in Bratislava, Slovakia was not part of this transaction and remains in operation within the Penta Real Estate portfolio.



RESIDENTIAL SALES

258 units sold, primarily in:

Nusle Brewery

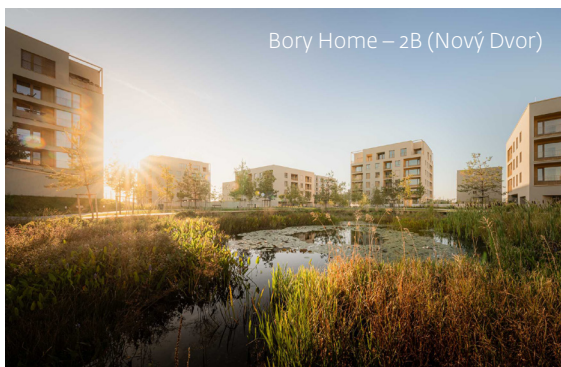
Residential development project in Prague 4, Czech Republic

The sale of apartments in the first phase of this brownfield revitalization residential project was launched in 2021, followed by the start of the second phase in 2023. During 2023, 130 residential units were sold across both phases. The entire project, (which includes the refurbishment of a historical landmark building, which was formerly the brewery) is set to contribute approximately 505 residential units and an additional 3,700 sqm of retail space to the vibrant landscape of Prague 4.

Bory Home – 2B (Nový Dvůr), 3A (Promenáda), 4A (Na Hrádci)

Residential development project, in Bratislava IV. – Lamač, Slovakia

Situated within the expansive Bory zone, this development integrates into a comprehensive environment which includes a shopping mall; entertainment facilities and New Generation Hospital. In 2023, a total of 36 units were successfully sold over multiple Bory Home phases. Moreover, the construction of Phase 2B and 3A reached completion in 2023 and 517 units were successfully handed over to customers.



Bory Home – 2B (Nový Dvůr)

Juliska

Residential development project in Prague 6, Czech Republic

These three, six-floor apartment buildings in Prague 6 offer a total of 79 flats. Sales commenced in Q4 2022, and in 2023, 33 units were successfully sold. This stylish residential project embodies modern living in a popular district of Prague.

Victoria Place

Residential development project in Prague 6, Czech Republic

This high-end housing project, in the sought-after Prague 6 district, features a total of 93 flats. Sales commenced in the second half of 2021, with 25 units successfully sold in 2023. This project offers an exclusive living experience in a prime location, reflecting the ongoing appeal of luxurious residences in this vibrant district.

Nová Waltrovka Residences

Residential development project in Prague 5, Czech Republic

This project builds on the success of the already completed mixed-use area of Waltrovka and expands the district by ca. 510 residential units. The start of the sales process of the first residential phase (78 residential units) began during 2021 and in 2023 16 units were sold.

Chittussi – Villa F

Residential development project in Prague 6, Czech Republic

The construction of the first phase of this high-end housing in Prague 6, Villa F, was finished in Q3 2023. Out of 14 units, 12 units have already been sold and 10 units have been handed over to clients.

LEASING PROGRESS

2023 saw 5,800 sqm of rentable area being newly-leased, mainly in the following projects:

Masaryk Station 1

Office development with retail premises in Prague 1, Czech Republic

This development consists of 27,700 sqm of rentable office and retail space, in two office buildings designed by Zaha Hadid Architects. The buildings are located in Prague's Central Business District and represent a flagship development that has been long awaited. These unique buildings were successfully completed in the second half of 2023. The project was ca. 93% leased at the end of 2023.

Nová Waltrovka Offices

Office development with retail premises in Prague 5, Czech Republic

Penta's office development in Prague 5, comprising two buildings, provides a total of 31,500 sqm of contemporary office space. In 2023, approximately 1,600 sqm of new leases were secured, bringing the signed occupancy to around 50% by the end of the year.

Hotel Hybernská (The Cloud One)

Hotel development with retail premises in Prague 1, Czech Republic

This development represents 12,300 sqm of modern premises, offering 382 hotel rooms with retail space on the first floor, located in Prague 1. In 2023, ca 360 sqm was newly leased, bringing signed occupancy to 94% by the end of 2023.



Nová Waltrovka Offices

Bory Mall

Shopping mall in Bratislava IV. – Lamač, Slovakia

This project, in operation since 2014, represents ca 54,200 sqm of modern retail space. Approximately 2,040 sqm was newly leased in 2023, after some tenants left the mall during the year following their ordinary lease expiry, bringing the signed occupancy to 97% at the end of 2023.

DEVELOPMENT PROGRESS

Masaryk Station 1

Office development with retail premises in Prague 1, Czech Republic

A significant milestone was achieved in July 2023, as the operation permit for the first phase of this flagship office project was officially granted. Adding to the project's appeal, a building permit for a rooftop café was issued in October 2023.



Masaryk Station 1

Nová Waltrovka

Mixed use development in Prague 5, Czech Republic

August 2023 marked the operation permit approval for Metalica and Legatica, two office buildings designed to provide the utmost standard to tenants. Following

suit, a design-driven hotel with 166 rooms secured its operation permit in September, promising a unique guest experience. Closing the year on a high note, December saw the issuance of operation permits for 78 residential units, collectively shaping this development into a thriving, diverse hub of modern living, workspaces and hospitality.

Bory Home

Residential development project in Bratislava IV, Slovakia

Nový Dvor represents the second stage of the Bory Home project, providing its residents with high quality public spaces such as playgrounds and cafés. Within this phase of residential development, 321 units received an operation permit in June 2023.

Construction of the third stage of the Bory Home development (Promenáda), located in close proximity to Bory Mall shopping centre, began in 2020. In February 2023, an operation permit for 357 units was granted.

In July 2023, an operation permit was granted for 40 flats situated in one building, formerly designed in the first phase of Bory Homes (Prvé Domy), but for which construction was deliberately postponed.

Chalúpkova Office C2

Office development with retail premises in Bratislava I, Slovakia

In October 2023, construction commenced on the inaugural office phase of the Chalúpkova development, encompassing 20,000 sqm of rentable office and retail space. This project is a strategic move towards developing this brownfield area in the Central Business District of Bratislava.

POST YEAR-END DEVELOPMENTS

Bory Home – 3B (Nádvorie)

Residential development project, in Bratislava IV. – Lamač, Slovakia

In January 2024, a building permit was issued for 180 flats for another phase of Bory Home development.

Bory Home – 4A (Na Hrádzi)

Residential development project, in Bratislava IV. – Devínska Nová Ves, Slovakia

In February 2024, an operation permit was granted for 306 flats for the fourth phase of Bory Home development.

Social Responsibility

At Penta Group, we place the utmost importance on our corporate and social responsibility and recognize the profound, positive impact that we can make on the communities in which we operate and reside. Through our steadfast commitment to philanthropic endeavours and non-profit initiatives, whether through the collective efforts of the Penta Group or the dedicated initiatives of the Penta Foundation, our objective is to effect tangible and meaningful change within these communities.

The Penta Foundation's work

Since its establishment in 2002, the Penta Foundation has contributed over seven million euros to initiatives spanning the realms of health, culture and science. Leveraging on its network of investment companies, the Foundation extends financial support to various causes, with a recent emphasis on fostering advancements in both education and healthcare. In close alignment with the Group's business strategy, the Penta Foundation champions projects that facilitate positive change.

In 2023, the Foundation remained committed to extending financial support to the people of Ukraine. In collaboration with various non-governmental organizations, we facilitated both financial and material aid initiatives, delivering focused and meaningful assistance directly to Ukraine and its people, addressing their specific needs and challenges. To this end, the Penta Foundation contributed nearly EUR 90,000 in donations last year.

Penta Foundation grant programme for employees

Since 2015, the Foundation has encouraged Penta Group employees, in both Slovakia and the Czech Republic, to nominate deserving organizations or individuals for grant assistance. Our primary focus is to finance grassroots community initiatives which involve, or are close to the hearts of, Penta Group employees. To date, Penta has endorsed more than 200 projects, disbursing over EUR 200,000 to those most in need.

Roma Midwives

For the sixth consecutive year, the Penta Foundation has continued its financial backing of the Roma Midwives project, which aims to empower health facilitators operating within marginalized and disadvantaged communities across eastern Slovakia. Dubbed "Mission 1000 – Babice" (Midwives), this initiative is co-ordinated by the Association for Culture, Education, and Communication (ACEC). The midwives, who are

volunteers hailing from the communities in which they operate, play a pivotal role in raising awareness among pregnant women and mothers. Their duties involve offering practical assistance; linking up individuals with healthcare services and providing guidance throughout prenatal and postnatal care. Moreover, these midwives collaborate with hospitals within our Penta Hospitals network in eastern Slovakia, notably within the gynecological and obstetrics department in Spišská Nová Ves. Here, they extend support to young pregnant Roma women, as well as assisting hospital staff in their endeavours.

Smart Deal

In 2023, the Penta Foundation backed the Smart Deal initiative aimed at students enrolled in the fourth and fifth years of Czech and Slovak universities, particularly those studying economics. The competition's objective was to assess students' expertise and abilities in two distinct categories: Real Estate and Buy Out. Winners from both categories were granted a reward and were offered an employment opportunity with either Penta Investments or Penta Real Estate in Slovakia and the Czech Republic. The Penta Foundation allocated a total of EUR 19,000 in prizes to the participating students.





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**Building a better
working world**

INDEPENDENT AUDITOR'S STATEMENT

To the Members of Penta Investments Limited

Report on the Summary Consolidated Financial Statements

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2023, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related summary notes, are derived from the complete audited consolidated financial statements of Penta Investments Limited (the "Company") and its subsidiaries (together, the "Group") for the year ended 31 December 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis described in the Basis of Preparation on Page 25.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law Cap.113. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The audited consolidated financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 22 March 2024.

Board of Director's Responsibility for the Summary Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in the Basis of Preparation on Page 25.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Other information

The Board of Directors is responsible for the other information. The other information comprises of the information included in the Annual Report, but does not include the summary consolidated financial statements.

Our opinion on the summary consolidated 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 summary consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the summary consolidated 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.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Andreas Avraamides
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
28 June 2024

Summary Financial Results

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(EUR '000)	31. 12. 2023	31. 12. 2022
Net realised gain/(loss) on financial assets at fair value through profit or loss	6,891	(1,865)
Net unrealised gain on financial assets at fair value through profit or loss	569,469	558,045
Total net income	576,360	556,180
Legal and professional fees	(751)	(1,581)
Change in fair value of financial liabilities at fair value through profit or loss	(8,091)	(8,905)
Other operating expenses	(15,083)	(17,725)
Total operating expenses	(23,925)	(28,211)
Operating profit	552,435	527,969
Interest expense	(37,459)	(26,296)
Interest income	9,795	4,531
Other finance expenses, net	(3,097)	(5,172)
Finance loss, net	(30,761)	(26,937)
Profit before tax	521,674	501,032
Corporate income tax	(17,971)	(17,833)
Profit after tax	503,703	483,199
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operation	(162)	40
Total comprehensive income	503,541	483,239

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(EUR'000)	31. 12. 2023	31. 12. 2022
ASSETS		
Non-current assets		
Financial assets at fair value through profit or loss	4,322,027	3,609,556
Loans and advances	86	288
Other assets	5,882	3,889
	4,327,995	3,613,733
Current assets		
Financial assets at fair value through profit or loss	50,956	26,876
Loans and advances	17,931	26,590
Other assets	6,120	2,272
Cash and cash equivalents	342,854	422,939
	417,861	478,677
TOTAL ASSETS	4,745,856	4,092,410
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	2,147	2,123
Share premium	1,272,825	1,233,950
Retained earnings and other reserves	2,572,925	2,122,780
Total equity	3,847,897	3,358,853
Non-current liabilities		
Financial liabilities at fair value through profit or loss	283	69,569
Borrowings	506,273	294,335
Other liabilities	8,480	1,631
	515,036	365,535
Current liabilities		
Financial liabilities at fair value through profit or loss	74,882	21,405
Borrowings	300,502	333,920
Other liabilities	7,539	12,697
	382,923	368,022
Total liabilities	897,959	733,557
TOTAL EQUITY AND LIABILITIES	4,745,856	4,092,410

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(EUR '000)	Share Capital	Share Premium	Retained Earnings and Other Reserves	Foreign Currency Translation Reserve	Total
Balance as at 31 December 2021	2,118	850,151	2,177,921	10	3,030,200
Share issue	5	6,682	–	–	6,687
Acquisition of Management Companies	–	377,117	(294,379)	–	82,738
Dividends	–	–	(244,011)	–	(244,011)
Profit for the year after tax	–	–	483,199	–	483,199
Exchange differences on translation of foreign operations	–	–	–	40	40
Balance as at 31 December 2022	2,123	1,233,950	2,122,730	50	3,358,853
Share issue	24	38,875	–	–	38,899
Dividends	–	–	(53,396)	–	(53,396)
Profit for the year after tax	–	–	503,703	–	503,703
Exchange differences on translation of foreign operations	–	–	–	(162)	(162)
Balance as at 31 December 2023	2,147	1,272,825	2,573,037	(112)	3,847,897

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(EUR '000)	31. 12. 2023	31. 12. 2022
Operating Cash Flow		
Acquisition of investments	(663,214)	(239,313)
Cash received from disposals	69,042	180,286
Investment funding	(1,362,271)	(1,589,608)
Cash received from investments	1,796,052	2,274,810
Corporation tax paid	(25,275)	(31,250)
Other operating cash flow	(17,874)	(18,737)
Net cash flows (used in)/from operating activities	(203,540)	576,188
Investment Cash Flow		
Loans provided	(16,970)	(12,550)
Repayment of loans provided	25,568	103,503
Interest from loans provided	1,303	576
Other cash paid from investment activities	8,772	1,949
Net cash flows from investing activities	18,673	99,893
Financing Cash Flow		
Cash received from bank borrowings	185,600	148,000
Repayment of bank borrowings	(131,000)	(108,000)
Cash received from issue of bonds	315,120	84,881
Repayment of bonds	(102,770)	(179,757)
Cash received from promissory notes	276,492	76,513
Repayment of promissory notes	(351,208)	(81,802)
Cash received from other borrowings	30,455	112,144
Repayment of other borrowings	(30,000)	(105,801)
Interest and fees on all borrowings	(49,605)	(26,932)
Share options redemption proceeds	(23,805)	(37,973)
Share capital increase	38,899	–
Dividend paid	(53,396)	(244,011)
Net cash flows from/(used in) financing activities	104,782	(362,738)
Net (decrease)/increase in cash and cash equivalents	(80,085)	313,343
Cash and cash equivalents, at beginning of year	422,939	109,596
Cash and cash equivalents, at end of year	342,854	422,939

GENERAL INFORMATION

The consolidated financial statements of Penta Investments Limited (the "Company") and its subsidiaries detailed below (the "Group") for the year ended 31 December 2023 were authorized for issue by the Company's Board of Directors' on 22 March 2024. The Company was incorporated in Jersey on 13 December 2011 as a private limited liability company in accordance with the provisions of Companies (Jersey) Law 1991

and redomiciled to Cyprus on 1 December 2021 as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap.113.

The Company is owned by Penta Investments Group Limited ("PIGL") which holds 100% (2022: 100%) of the shares of the Company. In turn, PIGL is owned by a number of individuals, none of whom has a controlling interest.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the requirements of the Cyprus Companies Law Cap.113.

The consolidated financial statements have been prepared on a historical cost basis as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (EUR '000), except when otherwise indicated.

These summary consolidated financial statements were extracted directly from the audited annual consolidated financial statements of Penta Investments Limited for the year ended 31 December 2023. The summary consolidated financial statements do not contain all the disclosures required by IFRS as adopted by the EU and the requirements of the Cyprus Companies Law Cap.113. As such, they do not contain sufficient information to allow for a full understanding of the results and state of affairs of the Group as would be provided by the full annual consolidated financial statements, and reading the summary consolidated financial statements is therefore, not a substitute for reading the full audited consolidated financial statements.

Investment entity and consolidation

A) Investment Entity

The Company meets the definition of an investment entity per IFRS 10 as the following conditions exist:

- the Company has obtained funds for the purpose of providing investors with professional investment management services;
- the Company's business purpose, which was communicated directly to the investors, is investing for capital appreciation and investment income; and
- the investments are measured and evaluated on a fair value basis.

B) Subsidiary

The Company has subsidiaries that provide investment-related services or activities and in line with the standard it shall consolidate those subsidiaries in accordance with IFRS 10. The following subsidiaries of the Company are consolidated:

SUMMARY FINANCIAL RESULTS

ENTITY	COUNTRY OF INCORPORATION	NATURE OF BUSINESS	PERCENTAGE OWNERSHIP	
			2023	2022
Penta Financial Services Limited (i)	Cyprus	Investment holding	99.999%	99.999%
Penta Investments Cyprus Limited	Cyprus	Funding entity	100%	100%
Penta Funding, a. s.	Slovak Republic	Funding entity	100%	100%
Penta Funding II, a.s.	Slovak Republic	Funding entity	100%	100%
Penta Funding CR, a.s.	Czech Republic	Funding entity	100%	100%
Penta Funding Public II, s.r.o.	Slovak Republic	Funding entity	100%	100%
Penta Funding SOGE s. r. o.	Czech Republic	Funding entity	100%	100%

(i) The non-controlling interest of Penta Financial Services Limited are held by a related party and is considered immaterial to the Company and therefore is not disclosed in the consolidated financial statements.

SUMMARY FINANCIAL RESULTS

The Company also holds subsidiaries that are determined to be unconsolidated subsidiaries. Unconsolidated subsidiaries are measured at fair value through profit or loss. The following direct subsidiaries of the Company are measured at fair value through profit or loss and the table below shows the Company's percentage holding and the Group's percentage holding:

ENTITY	COUNTRY OF INCORPORATION	COMPANY PERCENTAGE OWNERSHIP		GROUP PERCENTAGE OWNERSHIP	
		2023	2022	2023	2022
AB Facility Holdings Limited	Cyprus	100%	100%	100%	100%
Bookzz Holdings Limited	Cyprus	100%	100%	100%	100%
Carnibona Holdings Limited	Cyprus	100%	100%	100%	100%
CRNAP Limited	Cyprus	86,957%	100%	86,957%	100%
Dovera Holdings Limited	Cyprus	100%	100%	100%	100%
ESEMGE Limited	Cyprus	100%	100%	100%	100%
Fortbet Holdings Limited	Cyprus	99.091%	99.091%	100%	100%
Gehring Holdings Limited	Cyprus	100%	100%	100%	100%
Gimborn Holdings Limited	Cyprus	99.900%	99.900%	99.900%	99.900%
Glebi Holdings Plc	Cyprus	99.980%	99.980%	99.997%	99.997%
Glebinvest Limited	Cyprus	100%	–	100%	–
Iglo Holdings Limited	Cyprus	100%	100%	100%	100%
Kaseke Limited	Cyprus	100%	100%	100%	100%
Lorea Investments Limited	Cyprus	100%	100%	100%	100%
Penta Real Estate Holding Limited	Cyprus	99.972%	99.972%	100%	100%
PLNAP Holdings Limited	Cyprus	–	–	–	100%
Rerari Limited	Cyprus	100%	100%	100%	100%
Tvali Investments Limited	Cyprus	99%	99%	100%	100%
Vodochody Holdings Limited	Cyprus	99.725%	99.725%	100%	100%
Wilsonova Development Holdings Limited	Cyprus	100%	100%	100%	100%
ZSNP Holdings Limited	Cyprus	100%	100%	100%	100%

SUMMARY FINANCIAL RESULTS

The following subsidiaries held indirectly by the Company's consolidated subsidiary Penta Financial Services Limited are measured at fair value through profit or loss and are material to the Group:

ENTITY	COUNTRY OF INCORPORATION	GROUP PERCENTAGE OWNERSHIP	
		2023	2022
Prima banka Slovensko, a. s.	Slovak Republic	99.609%	99.578%
Privatbanka, a.s.	Slovak Republic	99.999%	99.999%

The Company does not hold any material non-controlling interests (2022: None).

Contacts

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