

JOINT STOCK COMPANY PN PROJECT

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2025,
PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS
ADOPTED BY THE EUROPEAN UNION

PN Project AS**Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia****Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025**

(all amounts presented in EUR unless otherwise indicated)

Content

Consolidated management report.....	3
Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Interim Consolidated Statement of Financial Position.....	6
Interim Consolidated Statement of Changes in Equity.....	8
Interim Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10
1. General information	10
2. Basis for preparation and statement of compliance with IFRS	10
3. Notes	10
3.1. Property plant and equipment.....	10
3.2. Investment property	11
3.3. Inventory	15
3.4. Trade receivables	15
3.5. Prepayments.....	15
3.6. Other current assets	15
3.7. Cash and cash equivalents.....	16
3.8. Share capital	16
3.9. Loans received.....	16
3.10. Bonds issued	18
3.11. Other non-current liabilities	18
3.12. Trade payables	19
3.13. Other current liabilities	19
3.14. Other income	19
3.15. Investment property management expenses	19
3.16. Administrative expenses	20
3.17. Finance expenses.....	20
3.18. Income tax	20
3.19. Transactions with related parties	21
3.20. Restatements.....	21
3.21. Contingent assets and liabilities.....	22
3.22. Going concern.....	22
3.23. Subsequent events	23

PN Project AS**Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia****Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025**

(all amounts presented in EUR unless otherwise indicated)

Consolidated management report

The parent company of the Group PN Project AS (hereinafter – the Company) was registered on 18 April 2017. The primary activities of the Group are development and maintenance of real estate.

During the reporting period, the Group actively managed the development of the property located at Balasta dambis 2, Riga. In 2024, the Group's company, PN Project AS, terminated its agreement with the previous general contractor. Construction resumed in the first half of 2025 under a newly established general contractor, a related entity within the Lords LB Special Fund V group of companies. The Group successfully resolved all outstanding disputes and concluded litigation with former contractors, reaching full settlements on claims. These actions have significantly de-risked the project and stabilized the construction process. In parallel, the Group launched a public EUR 75 million bond programme in Latvia, issuing several initial tranches. The programme has been well received by the market, reflecting investor confidence in the project and the Group's strategic direction.

Looking ahead, the Group remains committed to continuing construction as planned and will proceed with issuing additional tranches under the bond programme to support project financing.

Net sales of the Group during the reporting period amounted to EUR 35 802. The financial result for the reporting period is a loss of EUR 1 185 683.

FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks, including credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is a risk that customers do not meet their payment obligations to the Group. The Group is minimizing the risk by performing appropriate analysis of the customer creditworthiness prior to entering into the rent agreement and receiving a guarantee deposit if needed, as well as monitoring repayment of the debts.

Liquidity risk

The Group pursues a prudent liquidity risk management maintaining sufficient credit resources that allow settling liabilities when they fall due. To minimize the liquidity risk the term analysis of assets and liabilities is performed and, if necessary, resources from related companies are attracted. As at 30 June 2025 the Group's current liabilities (EUR 35 437 873) exceeded current assets (EUR 5 244 437) by EUR 30 193 436. The majority of current liabilities consisted of short-term loans received from related parties (see Note 3.9.) and trade payables to contractors for the project in development, as well as to related parties. In June 2025 the Group issued public bonds, which amounted to EUR 21 378 000 and which was used to partially repay the loan to the related party Preses Nams UAB in the amount of EUR 12 552 000 and to pay for certain invoices received for the investment property under development by the Group. Respectively, the Group's liquidity in 2025 will be ensured by additional credit resources by issuing additional public bonds in order to ensure the successful continued development of the project. For more information about the public bonds issue please refer to Note 3.10., Note 3.22. and Note 3.23. of the consolidated financial statements. Thus, the management of the Group believes that the Group is not exposed to significant liquidity risk.

Interest rate risk

The loans of the Group carry a fixed interest rate. The management of the Group does not perform any specific measures for mitigating this risk.

Going concern

The Group does not earn income independently during the building development and construction period. The Group is developing a multifunctional real estate center on its controlled land plot in Balasta Dambis 2. The Group highlights that after the planned completion of the 1st stage development in 2026, the Group is expected to start independently generating rental income and positive net cash flows from operations supporting its going concern going forward.

PN Project AS**Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia****Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025**

(all amounts presented in EUR unless otherwise indicated)

Consolidated management report (continued)

The building development activities are financed by the funds received from the shareholder and/or its controlled entities considering the course of the project and the need of working capital to finance the construction activities. The Group's shareholder Lords LB Special Fund V, managed by Lords LB Asset Management UAB, has long-term plans for the Group and intends to support its liquidity by raising additional external financing itself or via its other controlled SPVs.

As at 30 June 2025 the Group had a working capital deficit of EUR 30 193 436, of which EUR 16 471 782 was the loan received from Preses Nams UAB with the maturity of 13 November 2025. The successful partial refinancing of the loan by issuing public bonds partially ensured the continuity of the current 1st stage of development with increased development pace resumed to full scale in June 2025.

Settlement of the outstanding liabilities and the further development and finalization of the 1st stage of the construction successfully and within the planned timeframe is highly dependent on the attraction of additional external financing by the Group's shareholder. While at the date of these financial statements sign-off, the Group, its shareholder and its other controlled SPVs do not have a written confirmed commitment from the potential investors, the Group's shareholder has prepared a forecast regarding the needs of additional cash inflows to settle the outstanding liabilities and proceed with the construction and development and a corresponding plan when additional funds would be attracted. Based on the recent experience in raising additional funds via issuing public bonds during June 2025, the management is optimistic in its ability to obtain additional financing as and when necessary to complete the 1st stage of the construction project.

The assessment of business continuity was based and is directly dependent on the assumption, that in 2025, the Group will continue to successfully issue public bonds in Latvia, which together with attracting new equity from parent fund investors will allow for the Group to refinance its existing loans from related company Preses Nams UAB, settle its outstanding liabilities towards suppliers and continue with the development of the 1st stage. For more information about the public bonds issue please refer to Note 3.10., Note 3.22. and Note 3.23. of the consolidated financial statements.

Taking into account the information currently available and the actions taken by the management, the Group expects to continue operations as a going concern. As such, these financial statements have been prepared on the basis that the Group will continue as a going concern, and do not include any adjustments that might be necessary if the going concern assumption would not be applicable.

However, the success of the management actions to address the uncertainties outlined above is directly dependent on the ability to attract sufficient additional financing to proceed with the development.

Management cannot rule out the possibility that the geopolitical situation or a negative impact on the business environment in which the Group operates could adversely affect the Group, its financial position and performance in the short and medium term, including the estimated fair value of its investment property and the Group's ability to complete the 1st stage development, which presents a material uncertainty in relation to the Group's ability to continue as a going concern. This conclusion is, however, based on the information available as at the date of these financial statements and future developments in the business environment may have a different impact on the future operations of the Group. The management continues to monitor the situation closely and take the necessary steps to mitigate, to the extent possible, the effects of new events and circumstances.

Management Responsibility Statement

The management of PN Project AS is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the applicable laws and regulations. This responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The management board confirms that, based on the information available, the consolidated financial statements provide a true and clear view of the assets, liabilities, financial position, and profit or loss of the company and its consolidated group. Furthermore, the interim management report contains accurate and truthful information, reflecting the financial performance and position of the company.

This report is signed with a secure electronic signature and contains a time stamp

Chairman of the Board

Member of the Board

*Povilas Urbonavičius**Igors Danilovs*

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	6 months to 30 June 2025 Unaudited	6 months to 30 June 2024 Unaudited (Restated) *
Rental income		35 802	42 748
Other income	3.14.	1 356 276	-
Investment property management expenses	3.15.	(35 999)	(71 427)
Administrative expenses	3.16.	(601 521)	(2 128 736) *
Operating profit / (loss)		754 558	(2 157 415)
Finance expenses	3.17.	(1 940 241)	(1 938 670) *
Loss before tax		(1 185 683)	(4 096 085)
Income tax	3.18.	-	(75)
Net loss		(1 185 683)	(4 096 160)
Other comprehensive income		-	-
Total comprehensive loss		(1 185 683)	(4 096 160)

* Restatements are explained in Note 3.20.

The following notes on pages from 10 to 23 form an integral part of these financial statements.

This report is signed with a secure electronic signature and contains a time stamp

Chairman of the Board

Member of the Board

*Povilas Urbonavičius**Igors Danilovs*

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

Interim Consolidated Statement of Financial Position

		30 June 2025	31 December 2024
	Notes	Unaudited	Audited (Restated) *
ASSETS			
Non-current assets			
Property, plant and equipment	3.1.	6 908	4 821
Investment property	3.2.	65 471 928	62 962 491
Prepayments related to investment property	3.5.	1 106 731	624 258
Total non-current assets		66 585 567	63 591 570
Current assets			
Inventory	3.3.	280 921	280 921
Trade receivables	3.4.	1 894 825	66 939
Prepayments	3.5.	59 357	14 482
Other current assets	3.6.	312 220	49 784 *
Cash and cash equivalents	3.7.	2 697 114	18 099
Total current assets		5 244 437	430 225
TOTAL ASSETS		71 830 004	64 021 795

* Restatements are explained in Note 3.20.

The following notes on pages from 10 to 23 form an integral part of these financial statements.

This report is signed with a secure electronic signature and contains a time stamp

Chairman of the Board

Member of the Board

*Povilas Urbonavičius**Igors Danilovs*

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

Interim Consolidated Statement of Financial Position (continued)

	Notes	30 June 2025 Unaudited	31 December 2024 Audited (Restated) *
EQUITY AND LIABILITIES			
Equity			
Share capital	3.8.	51 507 800	51 507 800
Accumulated losses		(36 514 791)	(35 329 108) *
Total equity		14 993 009	16 178 692
Non-current liabilities			
Loans received	3.9.	-	7 856 406
Other non-current liabilities	3.11.	93 835	1 471 309
Bonds issued	3.10.	21 305 287	-
Total non-current liabilities		21 399 122	9 327 715
Current liabilities			
Trade payables	3.12.	1 584 920	10 054 986
Loans received	3.9.	33 395 544	28 230 130
Bonds issued	3.10.	158 139	-
Advance payments		47 674	55 744
Employment related liabilities		24 247	-
Other current liabilities	3.13.	227 349	174 528
Total current liabilities		35 437 873	38 515 388
TOTAL LIABILITIES		56 836 995	47 843 103
TOTAL EQUITY AND LIABILITIES		71 830 004	64 021 795

* Restatements are explained in Note 3.20.

The following notes on pages from 10 to 23 form an integral part of these financial statements.

This report is signed with a secure electronic signature and contains a time stamp

Chairman of the Board

Member of the Board

*Povilas Urbonavičius**Igors Danilovs*

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

Interim Consolidated Statement of Changes in Equity

	Share capital	Accumulated losses (Restated) *	Total
Balance as at 31 December 2023 (audited)	33 222 800	(13 755 313)	19 467 487
Net loss	-	(21 573 795) *	(21 573 774)
Transactions with owners	18 285 000	-	18 285 000
Shares issued **	18 285 000	-	18 285 000
Balance as at 31 December 2024 (audited)	51 507 800	(35 329 108)	16 178 713
Net loss	-	(1 185 683)	(1 185 683)
Transactions with owners	-	-	-
Shares issued	-	-	-
Balance as at 30 June 2025 (unaudited)	51 507 800	(36 514 791)	14 993 009

* Restatements are explained in Note 3.20.

** Information about the shares issued is explained in Note 3.8. and Note 3.9.

The following notes on pages from 10 to 23 form an integral part of these financial statements.

This report is signed with a secure electronic signature and contains a time stamp

Chairman of the Board

Member of the Board

*Povilas Urbonavičius**Igors Danilovs*

Interim Consolidated Statement of Cash Flows

	Notes	6 months to 30 June 2025 Unaudited	6 months to 30 June 2024 Unaudited (Restated) *
Loss before tax		(1 185 683)	(4 096 085) *
Adjustments for:			
Finance expenses	3.17.	1 940 241	1 938 670 *
Depreciation of property, plant and equipment	3.1.	1 790	1 260
Operating cash flows before working capital adjustments		756 348	(2 156 155)
Decrease / (increase) in trade and other receivables	3.4. – 3.6.	(2 617 670)	2 568 813
(Decrease) / increase in trade and other payables	3.11. – 3.13.	(9 778 542)	(389 609) *
Operating cash flows after working capital adjustments		(11 639 864)	23 049
Income taxes paid		-	(2 097) *
Net cash flows generated from / (used in) operating activities		(11 639 864)	20 952
Additions to investment property	3.2.	(2 509 437)	(5 149 442) *
Purchase of property, plant and equipment	3.1.	(3 877)	(1 189)
Net cash flows used in investment activities		(2 513 314)	(5 150 631)
Interest paid	3.9.	(1 202 582)	(57 359)
Loans received	3.9.	11 418 229	5 710 375
Loans repaid	3.9.	(2 167 000)	(519 790)
Bonds issued	3.10.	8 841 574	-
Transaction costs related to bonds issued	3.10.	(58 028)	-
Net cash flows generated from financing activities		16 832 193	5 133 226
Net change in cash and cash equivalents		2 679 015	3 547
Cash and cash equivalents at the beginning of the period		18 099	30 972
Cash and cash equivalents at the end of the period		2 697 114	34 519

* Restatements are explained in Note 3.20.

The following notes on pages from 10 to 23 form an integral part of these financial statements.

This report is signed with a secure electronic signature and contains a time stamp

Chairman of the Board
 Member of the Board

Povilas Urbonavičius
Igors Danilovs

PN Project AS**Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia****Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025**

(all amounts presented in EUR unless otherwise indicated)

Notes to the Consolidated Financial Statements**1. General information**

The parent company of the Group is PN Project AS (hereinafter – the Parent company), it was registered with the Commercial Register of the Republic of Latvia on 18 April 2017 as a Limited Liability Company. On 24 May 2018 the Parent company changed its legal form to Joint Stock Company. The registered address of the Parent company is Republikas street 2A, Riga, LV - 1010, Latvia, the registration number is 40203063602.

Shares of the Group belong to Lords LB Special Fund V, managed by Lords LB Asset Management UAB, legal address is Jogailos g. 4, Vilnius, LT - 01116, Lithuania. Lords LB Special Fund V as an investment entity does not prepare the consolidated financial statements.

The Group's purpose is to manage and develop multifunctional real estate centre on the controlled land plot in Riga, Balasta dambis 2.

As at 30 June 2025 the paid share capital of the Group is EUR 51 507 800 (2024 - EUR 51 507 800). Share capital consists of 51 507 800 (2024 – 51 507 800) ordinary shares with a nominal value of EUR 1 per share.

As at 30 June 2025 and 31 December 2024 the Group controlled the following subsidiary:

Subsidiary	Country	Acquisition date	Ownership share	Number of shares	Nominal value, EUR
PN Management SIA	LV	2017-12-01	100%	2 800	1,00

As at 30 June 2025 the Group had 4 employees (2024 – 4 employees).

2. Basis for preparation and statement of compliance with IFRS

The interim condensed consolidated financial statements have been prepared in accordance with the international financial reporting standard IAS 34 "Interim Financial Reporting", as adopted by the European Union, and consists of condensed consolidated financial statements and selected explanatory notes.

The accounting policies and methods of computation used in the preparation of the interim report are the same as the accounting policies and methods of computation used in the annual report for the year ended 31 December 2024, which comply with the International Financial Reporting Standards, as adopted by the European Union (IFRS EU).

The information contained in the interim condensed consolidated financial statements has not been audited or otherwise verified by auditors and does not contain the entire range of information required for the preparation of complete financial statements. The condensed consolidated interim financial statements should be read in conjunction with the annual report prepared for the year ended 31 December 2024, which has been prepared in accordance with IFRS EU.

The applicable accounting policies have not changed compared to the previous financial year.

3. Notes**3.1. Property plant and equipment**

	IT equipment	Total
Acquisition cost:		
As at 31 December 2023	6 932	6 932
Additions	1 189	1 189
As at 31 December 2024	8 121	8 121
Additions	3 877	3 877
As at 30 June 2025	11 998	11 998

PN Project AS**Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia****Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025**

(all amounts presented in EUR unless otherwise indicated)

Accumulated depreciation:

As at 31 December 2023	681	681
Change for the year	2 619	2 619
As at 31 December 2024	3 300	3 300
Change for the period	1 790	1 790
As at 30 June 2025	5 090	5 090
As at 31 December 2023	6 251	6 251
As at 31 December 2024	4 821	4 821
As at 30 June 2025	6 908	6 908

At initial recognition, property, plant and equipment are accounted for at the acquisition price. After initial recognition, property, plant and equipment are accounted for using a cost method, with the initial value of property, plant and equipment reduced by accrued depreciation and impairment, if any.

3.2. Investment property

The Group holds one investment property - land and building under development in Riga, Balasta dambis 2. The investment property is measured at fair value based on valuation performed by Newsec.

	30 June 2025	31 December 2024
Opening balance	62 962 491	72 610 000
Capitalized development expenses	2 509 437	6 578 405
Changes in fair value of investment property	-	(16 225 914)
Closing balance	65 471 928	62 962 491

According to the Newsec valuation conducted as at 30 September 2024 the fair value of the Investment property was EUR 62 610 000. Between the Newsec valuation date and the period-end date the Group incurred costs of EUR 2 861 928 directly related to construction work (e.g., contractor invoices, construction team salaries, security, etc.), which, in the management's opinion, increase the fair value of the investment property.

To determine the value of a vacant land site, or a site with existing buildings either prepared for redevelopment or under construction (collectively referred to as "the Property"), the residual value method was applied. Residual (DCF) approach is considered to be the most reflective method for the valuation considering confirmed Detail Plan, issued Building permit and approved technical project of the Stage 1 and issued Building permit of Stage 2.

Under this approach, estimated construction costs, development-related expenses, projected operating and sales revenues post-development, as well as a developer's profit margin, were considered. The valuation reflects a six-year timeline for development and operation, with Stage 1 scheduled for construction in 2025 through the middle of 2026.

According to confirmed Detail Plan potential development of maximum 246 799 sqm on ground Gross Building Area ("GBA") is allowed. According to Technical project (Stage 1) and confirmed Detail Plan (Stage 2 – 4) total planned development volume of 187 307 sqm. hotel / retail / office complex is considered.

PN Project AS
Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia
Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

3.2. Investment property (continued)

	GBA (SQM), 30 June 2025	GBA (SQM), 31 December 2024	Change (SQM)	Change (%)	Proportion of portfolio (%)
Office - Stage I	26 220	26 220	-	-	14%
Retail - Stage I	8 150	8 150	-	-	4%
Hotel - Stage I	17 083	17 083	-	-	9%
Parking - Stage I	33 530	33 530	-	-	18%
Stage I	84 983	84 983	-	-	45%
Office - Stage II	31 200	31 200	-	-	17%
Parking - Stage II	-	-	-	-	0%
Stage II	31 200	31 200	-	-	17%
Office - Stage III-IV	66 131	66 131	-	-	35%
Parking - Stage III-IV	4 994	4 994	-	-	3%
Stage III-IV	71 124	71 124	-	-	38%
TOTAL SQM	187 307	187 307	-	-	100%

The fair values of the property for each stage at both reporting dates are summarized below:

	Fair value (EUR) 31 December 2024	Fair value (EUR) 31 December 2023	Change (EUR)	Change (%)	Proportion of portfolio (%)
Office, Retail, Parking - Stage 1	29 130 000	37 300 000	(8 170 00)	-22%	46%
Hotel - Stage 1	2 350 000	2 490 000	(140 000)	-6%	4%
Office, Parking - Stage 2	11 430 000	11 600 000	(170 000)	-1%	18%
Office, Parking - Stage 3	10 500 000	11 370 000	(870 000)	-8%	17%
Office, Parking - Stage 4	9 200 000	9 850 000	(650 000)	-7%	15%
Total	62 610 000	72 610 000	(10 000 000)	-14%	100%

The fair value of the investment property, as represented in the table above, is based on the latest Newsec valuation as of 30 September 2024. It is important to note that between the Newsec valuation date and the year-end date, the Group incurred additional development costs related to the investment property. Management believes that these additional costs are not material.

The decrease in the values of all stages is primarily attributed to a change in the discount rate and exit yield applied by the valuator. This adjustment reflects the Group's decision to continue construction with the related company, PN Construction Latvia SIA, instead of engaging an external general contractor.

The table below presents the following for each investment property:

- A description of the valuation techniques applied.
- The inputs used in the fair value measurement.
- Quantitative information about the significant unobservable inputs used in the fair value measurement.

Property	Valuation technique	Key unobservable inputs	Range 31 December 2024	Range 31 December 2023
Preses Nams project development	DCF	Discount rate	17%	16 - 18%
Riga (Latvia)		Rental growth	1.2 - 2.5%	2.0 - 2.4%
Segment - multifunctional		Long-term vacancy rate	2.0 - 5.0%	2.0 - 5.0%
GBA - 187,307 SQM		Exit yield	6.00% - 7.25%	5.75% - 7.25%
		Average rent	11.0-16.0	11.0-15.8
		Construction cost (EUR / sqm)	1,700-2,859	1,700-2,000

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

3.2. Investment property (continued)**Sensitivity on estimates as at 31 December 2024:**

	Capitalization (cap) rate	Value as at 31 December 2024	Change in cap rate	
			+0.5 cap rate	-0.5 cap rate
Stage 2-4 Office, parking	6.00%	31 130 000	24 720 000 -20.63%	38 720 000 24.43%
Stage 1 Hotel	7.25%	2 350 000	1 630 000 -30.64%	3 160 000 34.47%
Stage 1 Office, Retail, Parking	6.00%	29 130 000	25 700 000 -11.77%	33 200 000 13.97%
Total		62 610 000	52 050 000 -16.87%	75 080 000 19.92%

The value of the investment property, as represented in the table above, is based on the latest Newsec valuation as of 30 September 2024. It is important to note that between the Newsec valuation date and the year-end date, the Group incurred additional development costs related to the investment property. Management believes that these additional costs are not material.

Sensitivity on estimates as at 31 December 2023:

	Capitalization (cap) rate	Value as at 31 December 2023	Change in cap rate	
			+0.5 cap rate	-0.5 cap rate
Stage 2-4 Office, parking	5.75%	32 820 000	21 130 000 -35.54%	46 740 000 42.32%
Stage 1 Hotel	7.25%	2 490 000	1 150 000 -53.82%	4 020 000 61.45%
Stage 1 Office, Retail, Parking	6.00% - 7.00%	37 300 000	31 230 000 -16.27%	44 450 000 19.17%
Total		72 610 000	53 510 000 -26.30%	95 210 000 31.13%

Descriptions and Definitions

The table above outlines key descriptions and definitions of the valuation techniques and unobservable inputs applied in determining the fair values:

Discounted Cash Flows (DCF) Method

The DCF method estimates a property's fair value by projecting a series of cash flows that reflect the benefits and liabilities associated with ownership over the asset's life, including an assumed exit or terminal value. These cash flows are discounted to present value using an appropriate market-derived discount rate. The timing and duration of cash inflows and outflows are influenced by events such as rent reviews, lease renewals, re-letting periods, redevelopment, or refurbishments.

Rental Growth

Rental growth reflects the projected average increase in rental income, based on prevailing market trends and any contractual indexation provisions.

PN Project AS**Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia****Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025**

(all amounts presented in EUR unless otherwise indicated)

3.2. Investment property (continued)**Long-Term Vacancy Rate**

The long-term vacancy rate is the percentage of the total rentable area that is expected to remain unoccupied over the extended term.

Discount Rate

The discount rate is applied to the net cash flows generated during the analysis period. It accounts for the time value of money and investment risk associated with the asset.

Exit Yield

The exit yield estimates the resale value of the property at the end of the holding period. It is calculated by dividing the expected annual net operating income by the terminal capitalization rate, which factors in projected income growth.

Construction costs

Construction costs represent the estimated cost per square meter (sqm) of gross buildable area (GBA) for different property types, excluding parking.

Highest and Best Use

For all investment properties measured at fair value, the current use of the property is considered to represent its highest and best use.

Information about the results of the investment property is provided below:

	6 months to 30 June 2025	6 months to 30 June 2024
Rental income	35 802	42 748
Investment property management expenses	(35 999)	(71 427)
Total	(197)	(28 679)

The rental income received by the Group in year 2025 and 2024 relates to the initial lease of the investment property. Revenue is not related to the lease of the investment property under construction.

For more details about investment property management expenses please refer to Note 3.15.

The Group resumed the construction of the 1st stage of the real estate project in Q2 2025 and plans to finalize it by mid-2026, after which the Group is expected to start independently generating rental income and positive net cash flows from operations supporting the Group's going concern going forward. Macroeconomic and geopolitical situation requires more input from the Management regarding the clarity of project development path prior to initiating specific additional construction activities.

Currently, it is planned that the 2nd stage construction of 31 000 sqm of buildable area for the office and school complex, for which the building permit was received in June 2023, will start when anchor tenants will be found. The work on the 3rd stage development of 65 000 sqm of buildable area is currently in the concept stage, looking for the most appropriate development scheme, which would complement other already designed stages. The construction of the hotel building, for which the building permit was received in 2020, is still on hold due to decreased appetite of financial institutions for hospitality object financing. The Group's Management is actively looking to attract possible tenants and long-term financing to the further stages of the development. The fair value estimate of the investment property reflects the Management's and the independent qualified valuer's best estimate regarding the timing when the above uncertainties are expected to be resolved.

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

3.3. Inventory

	Inventory, related to the investment property development	Total
As at 31 December 2023	280 921	280 921
Additions	-	-
As at 31 December 2024	280 921	280 921
Additions	-	-
As at 30 June 2025	280 921	280 921

During the period ended 30 June 2025 the Group did not utilize any inventories in its operations. As a result, there were no development expenses recognized in the statement of profit or loss related to inventory usage. The Group continues to assess its inventory for obsolescence and has determined that no write-downs are necessary for the reporting period.

3.4. Trade receivables

	30 June 2025	31 December 2024
Receivables from related parties	1 894 575	-
Receivables from third-party customers	250	66 939
Total	1 894 825	66 939

Trade receivables from third-party customers consist of receivables from customers on the basis of invoices issued (rent, utility costs, etc.). The Group conducts transactions with low credit risk customers, therefore, due to immateriality, expected credit loss is not accounted and not presented.

Trade receivables from related parties consists of receivable amount from the newly established general contractor company, a related company inside Lords LB Special Fund V group of companies and is related to a recharged advance amount, paid to a subcontractor.

Ageing of trade receivables

	Total	Not overdue	1 - 30 days	31 - 90 days	91 - 180 days	More than 181 days	Expected credit loss
31 December 2023	66 696	45 803	-	-	-	20 893	-
31 December 2024	66 939	46 046	-	-	-	20 893	-
30 June 2025	1 894 825	250	-	1 894 575	-	-	-

3.5. Prepayments

	30 June 2025	31 December 2024
Prepayments related to investment property	1 106 731	624 258
Prepaid insurance expenses	59 357	14 482
Total	1 166 088	638 740

Prepayments related to investment property contain advances paid to general contractor and subcontractors for construction works to be performed in investment property which are planned to be realized in year 2025 and 2026, when the amounts will be capitalized as investment property development expenses.

3.6. Other current assets

	30 June 2025	31 December 2024
Tax receivables	312 220	49 784
Total	312 220	49 784

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

3.7. Cash and cash equivalents

	30 June 2025	31 December 2024
Cash at banks	2 697 114	18 099
Total	2 697 114	18 099

The fair value of cash and cash equivalents is approximately equal to their carrying amount.

The credit risk associated with bank balances is limited as the Group conducts transactions with the bank with high long-term debt ratings issued by foreign rating agencies, therefore, due to immateriality, expected credit loss is not accounted and not presented. Bank rating is presented below:

	Moody's
Citadele banka AS	Baa1

3.8. Share capital

	30 June 2025	31 December 2024
Authorised share capital fully paid	51 507 800	51 507 800
Total	51 507 800	51 507 800

As at 30 June 2025 the paid up share capital is equal to EUR 51 507 800 (as at 31 December 2024 - EUR 51 507 800) and was comprised of 51 507 800 ordinary shares with a nominal value of EUR 1. During the financial period ended 30 June 2025 no new ordinary shares were issued (2024 – issued 18 285 000 ordinary shares with the nominal value of EUR 1 which were settled with the payable loan balance to the shareholder).

The table below shows the values of the shares issued by the Group as at 30 June 2025 and 31 December 2024:

	30 June 2025	31 December 2024
Opening balance	51 507 800	33 222 800
Shares issued	-	18 285 000
Closing balance	51 507 800	51 507 800

3.9. Loans received

Details of loans received:

	Maturity date	30 June 2025	31 December 2024
Non-current loans			
Lords LB Special Fund V	2026-05-13	-	6 606 969
Lords LB Special Fund V	2026-05-13	-	652 294
Attexo OÜ	2026-06-13	-	424 596
Matuda UAB	2026-06-13	-	172 547
Total non-current loans		-	7 856 406
Current loans			
Preses Nams UAB	2025-11-13	16 471 782	28 230 130
Lords LB Special Fund V	2026-05-13	9 863 294	-
Lords LB Special Fund V	2026-05-13	6 606 969	-
Attexo OÜ	2026-06-13	453 499	-
Total current loans		33 395 544	28 230 130
Total		33 395 544	36 086 536

All loans received by the Group are subject to fixed interest rates, ensuring predictable financing costs over the term of the loans.

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

3.9. Loans received (continued)

The table below shows the movement (both cash and non-cash via set off agreements) of loans during period ended 30 June 2025 and their balance as at 30 June 2025:

	Balance at the beginning of the period	Reclassifi- cation	Loans received	Loans repaid	Accrued interest expenses	Interest paid	Balance at the end of the period
Non-current loans							
Lords LB Special Fund V	7 259 263	(7 259 263)	-	-	-	-	-
Attexo OÜ	424 596	(424 596)	-	-	-	-	-
Matuda UAB	172 547	-	-	(167 000)	6 165	(11 712)	-
Current loans							
Preses Nams UAB	28 230 130	-	656 229	(12 552 000)	1 742 918	(1 605 495)	16 471 782
Lords LB Special Fund V	-	7 259 263	11 211 000	(2 000 000)	-	-	16 470 263
Attexo OÜ	-	424 596	-	-	28 903	-	453 499
Total liabilities	36 086 536	-	11 867 229	(14 719 000)	1 777 986	(1 617 207)	33 395 544

The table below shows the total cash and non-cash movement of loans and interest during the period ended 30 June 2025:

	Loans received	Loans repaid	Interest paid
Cash movement	11 418 229	(2 167 000)	(1 168 207)
Non-cash movement	449 000	(12 552 000)	(449 000)
Total movement	11 867 229	(14 719 000)	(1 617 207)

The table below shows the movement (both cash and non-cash via set off agreements) of loans during year 2024 and their balance as at 31 December 2024:

	Balance at the beginning of the year	Reclassifi- cation	Loans received	Loans repaid	Accrued interest expenses	Interest paid	Balance at the end of the year
Non-current loans							
Lords LB Special Fund V	23 651 188	-	366 500	(16 754 884)*	-	(3 541)*	7 259 263
Attexo OÜ	-	-	377 000	-	47 596	-	424 596
Matuda UAB	-	-	167 000	-	5 547	-	172 547
Preses Nams UAB	1 723 312	(1 723 312)	-	-	-	-	-
Current loans							
Matuda UAB	20 094 463	-	139 000	(19 904 365)	632 971	(962 069)	-
Preses Nams UAB	-	1 723 312	25 295 536	-	2 484 582	(1 273 300)	28 230 130
Provestum UAB	-	-	200 000	(200 000)	933	(933)	-
Total liabilities	45 468 963	-	26 545 036	(36 859 249)	3 171 629	(2 239 843)	36 086 536

The table below shows the total cash and non-cash movement of loans and interest during year 2024:

	Loans received	Loans repaid	Interest paid
Cash movement	6 539 726	(774 510)	(34 273)
Non-cash movement	20 005 310	(36 084 739)	(2 205 570)
Total movement	26 545 036	(36 859 249)	(2 239 843)

* In the table above the amount of loans repaid to the Group's shareholder Lords LB Special Fund V include settlements for the share capital increase as described in note 3.8.

The loan agreement with Preses Nams UAB includes covenants, the Group was not in breach of these covenants during 2024 and as at 31 December 2024. Financial ratios are reported to the lender twice a year.

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

3.10. Bonds issued

	30 June 2025	31 December 2024
Non-current liabilities		
Bonds principal issued	21 378 000	-
Amortized costs of bonds issue	(58 514)	-
Amortized discount on bonds issue	(14 199)	-
Total non-current liabilities	21 305 287	-
Current liabilities		
Bonds interest accrued	158 139	-
Total current liabilities	158 139	-
Total bonds issued	21 463 426	-

Changes in the amortizes cost value of the Group's liabilities from bonds for the period ended 30 June 2025 are presented in the table below:

	As at 1 January 2025	Proceeds from bonds issued	Repayments of bonds issued	Interest accrued	Interest paid	Amortized costs of bonds issue	As at 30 June 2025
ISIN LV0000104271	-	21 378 000	-	158 139	-	(72 713)	21 463 426
Total liabilities	-	21 378 000	-	158 139	-	(72 713)	21 463 426

During the first half of 2025, based on ISIN LV0000104271 bonds issue agreement, the Group has issued new emissions of bonds in total amount of EUR 21 378 000 with 10,00% of fixed coupon interest rate and maturity date of 4 June 2027. The issue price of second emission of bonds is lower than nominal value of bonds, therefore discount on bonds was recognized and is going to be amortized over the term of the bonds issued.

Compliance with financial covenants

Under the terms of the ISIN LV0000104271 bonds issue agreement the Group is obligated to comply with LTC (loan-to-cost) financial covenant, which should not exceed 75,00%.

In addition to the LTC financial covenant the following conditions are set in the bonds issue agreement:

- No negative borrowing.
- Pledge over the collateral.
- No negative pledge.
- No change of control.
- No disposal of the property.
- Full subordination of shareholders' claims.
- Admission to trading.
- Usage of escrow account.
- Complying with the reporting obligations.

As at 30 June 2025, the Group complies with financial covenants set out in terms of the bonds issue agreement.

3.11. Other non-current liabilities

	30 June 2025	31 December 2024
Long term amounts payable to suppliers and contractors	93 835	1 471 309
Total	93 835	1 471 309

As at 30 June 2025 and 31 December 2024 other non-current liabilities consist of long-term withholdings for performance guarantee in accordance with the agreement between the general contractor and subcontractors. The withholding amounts shall be settled once the 1st stage of the development shall be finished, which is expected to take place in mid-2026.

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

3.11. Other non-current liabilities (continued)

During the first half of 2025, the amount of long-term withholdings decreased significantly due to out-of-court settlement of dispute agreement in which the old general contractor waived the right to the retention money.

3.12. Trade payables

	30 June 2025	31 December 2024
Other trade payables	1 114 427	1 810 417
Trade payables to related parties	470 493	301 772
Trade payables to previous general contractors	-	7 942 797
Total	1 584 920	10 054 986

During the first half of 2025, using the proceeds from the public bonds issue, the Group settled all liabilities to the previous general contractors.

3.13. Other current liabilities

Other current liabilities include accrued expenses presented below:

	30 June 2025	31 December 2024
Accrued real estate tax expenses	98 439	83 725
Accrued rent expenses	32 076	-
Accrued professional expenses	28 364	19 424
Accrued accounting expenses	26 405	24 940
Accrued audit expenses	15 900	31 800
Accrued remuneration expenses	15 187	3 523
Accrued public utilities	10 299	3 762
Accrued loan commitment fee	-	7 292
Other accrued expenses	679	62
Total	227 349	174 528

3.14. Other income

	6 months to 30 June 2025	6 months to 30 June 2024
Cancellation of retention money	1 356 276	-
Total	1 356 276	-

During the first half of 2025, the Group signed an out-of-court settlement of dispute agreement with the old general contractor under which it waived the right to the retention money.

3.15. Investment property management expenses

	6 months to 30 June 2025	6 months to 30 June 2024
Utilities	21 667	66 039
Other investment property management expenses	14 332	5 388
Total	35 999	71 427

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

3.16. Administrative expenses

	6 months to 30 June 2025	6 months to 30 June 2024
Legal services	303 207	48 227
Penalties, related to investment property development	184 936	1 802 592
Loan administration expenses to related party	52 241	223 074
Wages and employment related taxes	26 067	23 978
Accounting services	16 370	12 980
Audit services	10 050	2 580
Professional services	2 509	6 825
Personnel sustainability expenses	1 465	1 404
Marketing expenses	1 140	-
Other administrative expenses	3 356	7 076
Total	601 521	2 128 736

3.17. Finance expenses

	6 months to 30 June 2025	6 months to 30 June 2024
Interest expenses on loans from related parties	1 777 986	1 786 587
Interest expenses on bonds issued	127 880	-
Commitment fee for future loan from a credit institution	34 375	152 083
Total	1 940 241	1 938 670

3.18. Income tax

The main components of income tax expense as at 30 June 2025 and 30 June 2024 are presented in the table below:

	6 months to 30 June 2025	6 months to 30 June 2024
Income tax expenses	-	75
Total	-	75

Reconciliation of taxes and financial profit:

	6 months to 30 June 2025	6 months to 30 June 2024
Loss before tax	(1 185 683)	(4 096 085)
Income tax expense calculated at a statutory rate	(296 421)	(1 024 021)
Deferred tax for accumulated losses recognized at nil amount	296 421	1 024 021
Tax effect on non-deductible representation and personnel sustainability expenses	-	75
Tax effect on other non-business expenses	-	-
Previous reporting periods income tax corrections	-	-
Total income tax expenses	-	75

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

3.19. Transactions with related parties**Management's remuneration and other benefits**

	6 months to 30 June 2025	6 months to 30 June 2024
Number of managers at the end of the period	1	1
Average number of managers during the period	1	1
Salaries paid to managers	34 153	38 569

There were no other payments and remunerations to managers, the Board and the Council.

Transactions with Group companies

Related party transactions were made on terms equivalent to those that prevail an arm's length transactions.

Transactions with related parties during the first half of 2025 and their balances as at 30 June 2025:

	Interest expenses	Loan administration expenses	Construction expenses	Trade and other receivables	Loans and interest payables	Trade and other payables
Lords LB Special Fund V	-	-	-	-	16 470 263	-
Matuda UAB	6 165	-	-	-	-	-
Preses Nams UAB	1 742 918	52 241	-	-	16 471 782	14 166
PN Construction Latvia SIA	-	-	715 368	2 369 558	-	456 328
Total	1 749 083	52 241	715 368	2 369 558	32 942 045	456 328

Transactions with related parties during 2024 and their balances as at 31 December 2024:

	Interest expenses	Loans and interest payables
Lords LB Special Fund V	-	7 259 263
Matuda UAB	638 518	172 547
Preses Nams UAB	2 754 802	28 531 902
Total	3 393 320	35 963 712

3.20. Restatements

Certain balances for 2024 have been restated as errors in cost recognition and cash flow movement have been identified and corrected. These changes aim to provide a more accurate representation of the Group's financial position and performance.

Following adjustments were made to the consolidated 2024 financial statements:

- Penalties, related to investment property development have been re-classified in consolidated statement of profit or loss and other comprehensive income from changes in fair value of investment property (capitalized expenses) to administrative expenses.
- Investment property development expenses in consolidated statement of profit or loss and other comprehensive income, following the 2024 audited annual report approach, have been capitalized.
- Loss before tax in consolidated statement of cash flows was adjusted to reflect the amount before taxes. Accordingly, income taxes paid amount in consolidated statement of cash flows was increased to reflect the amount of taxes paid during 2024.
- Accumulated loss and other current assets in consolidated statement of financial position were slightly adjusted to correctly represent the data from separate financial statements.

PN Project AS

Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia

Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025

(all amounts presented in EUR unless otherwise indicated)

3.20. Restatements (continued)**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For period 01.01.2024-30.06.2024**

	Before restatement	Restatement	After restatement
Investment property development expenses	(2 995 951)	2 995 951	-
Administrative expenses	(329 617)	(1 799 119)	(2 128 736)
Finance expenses	(2 145 294)	206 624	(1 938 670)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31.12.2024**

	Before restatement	Restatement	After restatement
Other current assets	49 805	(21)	49 784
Accumulated losses	(35 329 087)	(21)	(35 329 108)

**CONSOLIDATED STATEMENT OF CASH FLOWS
For period 01.01.2024-30.06.2024**

	Before restatement	Restatement	After restatement
Loss before tax	(5 499 616)	1 403 531	(4 096 085)
Finance expenses	2 145 294	(206 624)	1 938 670
Operating cash flows before working capital adjustments	(3 353 062)	1 196 907	(2 156 155)
Decrease in trade and other payables	(598 678)	209 069	(389 609)
Operating cash flows after working capital adjustments	(1 382 927)	1 405 976	23 049
Income taxes paid	-	(2 097 375)	(2 097 375)
Net cash flows generated from / (used in) operating activities	(1 382 927)	1 403 879	20 952
Additions to investment property	(3 745 986)	(1 403 456)	(5 149 442)
Net cash flows used in investment activities	(3 747 175)	(1 403 456)	(5 150 631)
Impact of foreign exchange rate changes	423	(423)	-

3.21. Contingent assets and liabilities

As at 30 June 2025, the Group has lease agreements with future tenants and is actively communicating about extending these agreements due to delays in the completion of the 1st stage. As at this date, the Group has recognized one penalty related to these lease agreement delays, however, there is a possibility that some additional penalties may be applied during the extension negotiations.

3.22. Going concern

The Group does not earn income independently as it is developing a multifunctional real estate centre on its controlled land plot in Balasta Dambis 2, Riga, Latvia. In year 2022, the Group terminated the construction agreement with its previous general contractor responsible for the 1st stage development of its investment property. The termination of the agreement was settled in arbitrage. Further, in year 2023, the Group signed a new construction agreement with other previous general contractor to finish the 1st stage of the development, however, the contract with this other previous general contractor has been terminated in October 2024. The Group resumed the construction in 2025 with the newly established related general construction company PN Construction Latvia SIA and plans to complete the 1st stage of the project in mid-2026. The Group highlights that after the planned completion of the 1st stage of the development project, the Group is expected to start independently generating rental income and positive net cash flows from operations supporting the Group's going concern going forward.

PN Project AS**Registration number: 40203063602, address: Republikas laukums 2A - 1, Riga, LV - 1010, Latvia****Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2025**

(all amounts presented in EUR unless otherwise indicated)

3.22. Going concern (continued)

As at 30 June 2025 the Group had a working capital deficit equal to EUR 30 193 436. The successful issuance of public ensured partial refinancing of the loan received from Preses Nams UAB and covered all of the Group's liabilities to the old general contractors. The remaining majority of the amount's payable are to the Group's suppliers for the construction works performed in the 1st stage development.

Respectively, when preparing these consolidated financial statements, the Group's Management assessed all known facts that may affect the Group's ability to continue business, both already recorded and/or disclosed in the consolidated financial statements and likely in the future. As a result, these consolidated financial statements for the period ended 30 June 2025 have been prepared assuming that the Group will continue its operation. The assessment of business continuity was based and is directly dependent on the assumption, that in 2025, the Group will continue to successfully issue bonds under public bond issuance program in Latvia, which together with attracting new equity from parent fund investors will allow for the Group to refinance its existing loan from related company Preses Nams UAB, settle its outstanding liabilities towards suppliers and continue the development of the 1st stage.

Considering the information currently available and the actions taken and planned by the Management, as described above, the Group expects to continue operations as a going concern and the financial statements do not include any adjustments to carrying amounts of assets and liabilities that might be necessary if the going concern assumption would not be applicable. However, there exists a material uncertainty related to successful attraction of external financing from public bond issuance and new equity from parent fund investors that would enable the Group to refinance its existing loans from related companies, settle its outstanding liabilities towards suppliers and continue the development of the 1st stage, this in turn may cast significant doubt on the Company's ability to continue as a going concern.

The Management cannot rule out the possibility that the geopolitical situation or a negative impact on the business or investment environment in which the Group operates could adversely affect the Group, its financial position and performance in the short and medium term, including the estimated fair value of its investment property. The conclusion on application of a going concern basis of accounting is based on the information available as at the date of these consolidated financial statements and future developments in the business environment may have a different impact on the future operations of the Group. The Management continues to monitor the situation closely and take the necessary steps to mitigate, to the extent possible, the effects of new events and circumstances.

3.23. Subsequent events

On 1 July 2025 the Group made an advance payment to SEB escrow account in the amount of EUR 2 476 767 in order to purchase remaining construction materials from the old general contractor.

On 4 August 2025 the Group issued the third ISIN LV0000104271 public bonds tranche in the nominal amount of EUR 4 812 000.

On 13 August 2025, a mortgage of EUR 28 million was registered on PN Project's property Preses Nams, at Balasta dambis 2, Riga, in favour of SIA ZAB Vilgerts as collateral agent, to secure the bonds issued up to 13 August 2025.

There were no other significant events after the reporting period.

This report is signed with a secure electronic signature and contains a time stamp

Chairman of the Board

Member of the Board

*Povilas Urbonavičius**Igors Danilovs*