

Annual Report 2021

Penta Investments Limited

PENTA

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Corporate data

CORPORATE DATA OF PENTA INVESTMENTS LIMITED

COMPANY NAME:

PENTA INVESTMENTS LIMITED

REGISTRATION NUMBER:

109645 (to 1 December 2021)

HE 428480 (from 1 December 2021)

LEGAL FORM:

Private Limited Liability Company

SHARE CAPITAL AS AT 31 DECEMBER 2021:

EUR 2,117,540

**NUMBER AND CLASS OF SHARES IN ISSUE AS AT
31 DECEMBER 2021:**

1,000,000 Ordinary Shares

1,117,540 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:

Up to 1 December 2021

3rd Floor, Osprey House

5 / 7 Old Street

St Helier

JE2 3RG, Jersey

Channel Islands

From 1 December 2021

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 (appointed 1 December 2021)

Michal Vrzgula (appointed 14 April 2022)

Radoslav Zuberec (resigned 6 December 2021)

Frederick John Deacon (resigned 6 December 2021)

Edward David Watson (resigned 6 December 2021)

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 23 March 2022 and signed on its behalf by Mr Marek Peterčák. 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,

In the year to 31 December 2021, despite the challenges of nearly two years of COVID 19, and due to active management across all entities, Penta recorded very strong results, with a net profit of EUR 571 million and a return on equity of 23.5%. The Penta Group (“the Group”) total equity reached EUR 3.03 billion.

These good results were achieved thanks to the hard work of all Penta Group employees and the excellent performances of our investee companies.

As in previous years the Group has focused on its existing investments in Central and Eastern European (CEE) countries, with a few minor add-on acquisitions to buy-out, both consolidating and further improving project performance and thus growing the Group EBITDA. In general, our well diversified portfolio helped Penta Group to mitigate some of the detrimental effects of pandemic restrictions. Further digitalization of our core processes was accelerated across all our retail investee companies, as well as within our media sector operations. Several Tier 2 investments were exited, which allowed us to significantly improve the Group's debt and leverage ratio.

Dr. Max pharmacies continued to grow in each of its core markets. Thanks to dedicated management and employees' efforts, its outlets remained open throughout the pandemic lockdown periods, maintaining essential services to customers across CEE. Dr. Max achieved excellent results and became one of the main drivers of Penta Group profits.

Despite operating in challenging market conditions, contending with COVID 19 as well as low interest rates, both Prima banka and Privatbanka are in excellent shape and were significant contributors to the profits of our portfolio, acquiring new clients and managing risks well. Furthermore Fortuna, our media businesses, Slovalco and Penta Hospitals International (PHI) also performed very well.

In early 2022 PHI's market position within the Czech Republic was strengthened by its acquisition of Vršovice Hospital. In addition, the Alzheimer Support Center was acquired in order to be merged with Penta's Alzheimer Home facilities, thus creating 32 specialized units altogether. Our Slovak team within PHI continued to support the construction of New Generation Hospital in Bratislava, Slovakia, which is expected to open in 2023. Penta owned media businesses achieved a very solid EBITDA during 2021, with this sector increasing its share of the total value of the Penta Group portfolio. On the down side, Penta's Polish retail sector investments in Empik and Iglotex continued to be negatively impacted by the pandemic.

Penta Real Estate itself was reorganised during the year as Penta Real Estate Holding acquired the Czech, Slovak and Polish Penta Real Estate management companies from Penta GP on 1st January 2021. Penta Real Estate now carries out its activities as a project company.

Penta Real Estate's property development activities once again delivered strong results across the year. Penta successfully exited two significant office development projects: DSP in Warsaw city centre was finalised in August 2021 and Digital Park II, one of Penta's flagship office developments in Bratislava, in December 2021 (with the transaction closed in January 2022). In February 2022, SmichOFF, an office development in Prague, was successfully divested.

Penta Real Estate acquired land plots for development valuing EUR 94 million for one mixed-use and two residential projects in Prague, Czech Republic in addition to two residential projects in Bratislava, Slovakia. Penta Real Estate's residential development sales reached 549 units in 2021, from four residential projects in Prague and two in Bratislava. Huge efforts from the Real Estate team led to an increase in office leases and retail space, as well as good progress of on-going development projects. In the first quarter of 2022 Penta was very active in the acquisition of new residential and mixed-use projects.

2021 saw a year of essential change within the ownership structure of Penta Group. Mr. Jaroslav Haščák began transferring his entire stake within Penta Investments Group Limited (the 100% owner of Penta Investments Limited) to a family trust in the first half of 2021. This transfer is expected to be finalised once all necessary regulatory permits are in place. After more than 20 years with the Group, two other partners, Mr. Jozef Oravkin and Mr. Eduard Maták, decided to leave Penta in order to pursue their own business ventures and focus on their personal lives. Mr. Oravkin remains a limited partner and his remaining ownership will be gradually redeemed over the next few years.

Due to the changing legislative environment and challenges brought about by Brexit, an extraordinary general meeting of Penta Investments Group Limited (Jersey) on 29 June 2021 and an extraordinary general meeting of Penta Investments Limited (Jersey) on 14 July 2021, agreed upon a migration to Cyprus. The Jersey Board provided crucial guidance and support during this process enabling completion in a swift and efficient manner. Penta Investments Group Limited redomiciled to Cyprus as a private limited liability company (in accordance with

the provisions of the Cyprus Companies Law, Cap. 113) on 1 November 2021 and Penta Investments Limited, one month later on 1 December 2021 which led to the Jersey Board resigning to allow a transfer to a Cypriot Board.

We have been deeply saddened by recent events in Ukraine, which are continuing at the time of compiling this report. Despite Penta Group having very limited business exposure within Ukraine, Russia and Belarus, it remains to be seen how growing material and commodity prices; international logistics restrictions and sanctions, as well as the impact of the growing humanitarian crisis, will influence our core markets and business environment.

I am proud to report that the entire Penta Group has actively joined efforts to assist the population of Ukraine where possible. At the time of writing, Penta has allocated a budget of EUR 3 million to provide medical and humanitarian supplies to Ukrainian hospitals and support the country's refugees, in conjunction with NGOs, across the Czech Republic, Slovakia, Poland and Romania. Penta Group employees alone have already contributed a staggering EUR 300,000 to provide assistance for Ukraine's growing humanitarian needs.

I would like to take this opportunity to sincerely thank the whole Penta Group team, as well as all our colleagues within in our investee companies, for the hard work and dedication they have shown throughout another challenging financial year. My thanks is also extended to our business and financial partners for their continued trust and support.



Marek Peterčák
Director

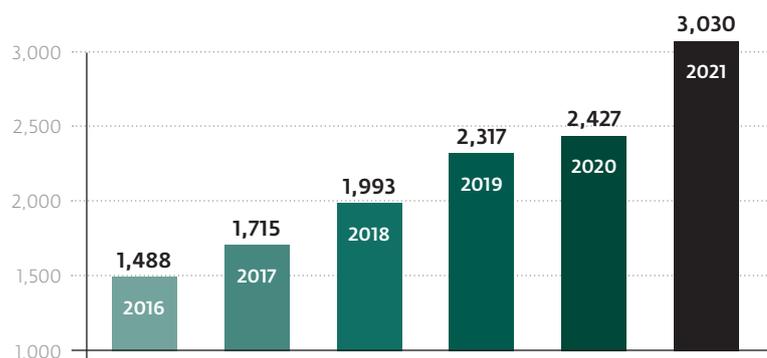


Financial Highlights

Equity Attributable to Shareholders

3,030

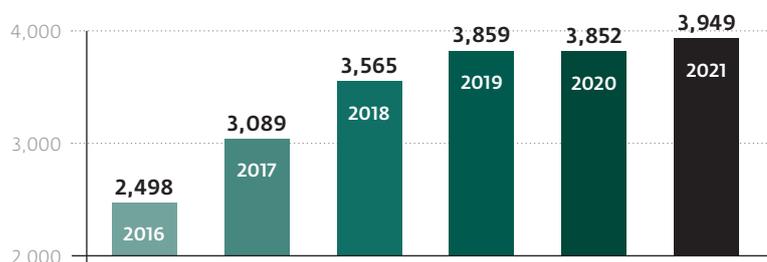
(in EUR million)



Total Assets

3,949

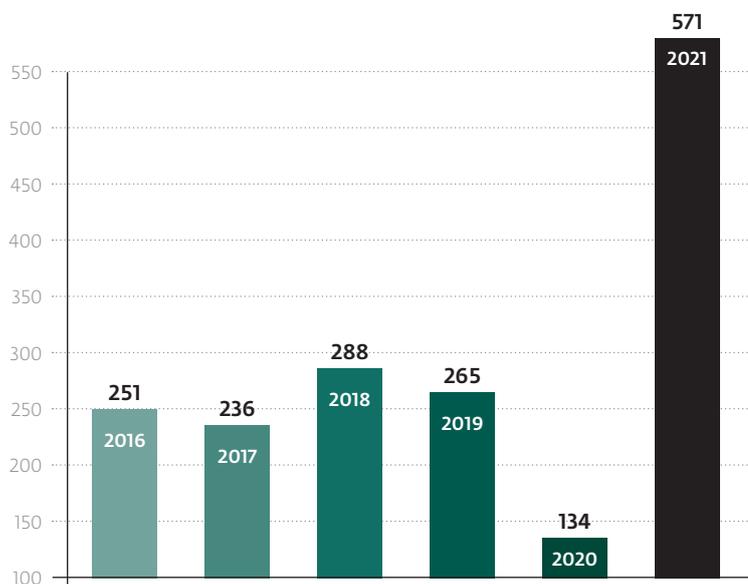
(in EUR million)



Consolidated Profit Attributable to Shareholders

571

(in EUR million)



2021 Buyout Activity



During 2021 Penta Buyout has successfully disposed of most of its remaining Tier 2 investments, allowing the business to focus on strengthening its market positions in its key areas of investment, namely retail, healthcare, real estate, financial services and media. The Buyout team is also looking at potential expansion into new geographical territories.

ACQUISITIONS

Dr. Max

The fourth largest pharmacy chain in Europe

Dr. Max has relaunched its expansion in Italy and Serbia, with its first set of new acquisitions and openings during 2021. As with other markets in which it operates, the long-term strategy for Dr. Max in these countries is to become the national pharma retail market leader.

- 10 individual pharmacies acquired in Italy
- 15 pharmacies acquired and 5 new pharmacies opened in Serbia.

Penta Hospitals International (PHI)

Owner of hospitals in the Czech Republic, Slovakia and Poland

– *Center of Interventional Neuroradiology and Endovascular treatment (CINRE), in Bratislava, Slovakia*

PHI acquired a 49.98% share in CINRE from its co-founder MUDr. Vulev. CINRE is a state-of-the-art facility and will be relocated to New Generation Hospital in Bratislava in 2023. PHI bought out this minority share in order to fully control CINRE's role within the New Generation Hospital. MUDr. Vulev will continue in his role as medical director in CINRE after its relocation.



DISPOSALS

Petit Press

One of the most influential press houses in Slovakia

Penta decided to exit its minority stake in this leading Slovak newspaper publisher, with an aim to focus more on its other news and media assets, in which it has majority and controlling ownership positions. This transaction was completed in April 2021.

Mecom Group

One of the largest meat processors in CEE

Mecom Group operates two production facilities in Slovakia (Humenné and Lučenec) and two in Hungary (Szolnok and Békéscsaba). Following very good financial results in 2020, Penta decided to exit this group, which is the market leader in Slovakia; has a strong position in Hungary and maintains a presence in other countries through exports. In February 2021 the sale and purchase agreement was signed with Smithfield Foods, a US-based meat processing company which aims to increase its presence within CEE. This transaction was completed in June 2021.

AERO Vodochody

The largest aircraft manufacturer in the Czech Republic

After 15 years of ownership and successful certification of new aircraft, Penta sold its 100% stake in AERO Vodochody in 2021. This transaction also included the sale of Vodochody Airport. This exit is in line with Penta's strategy to focus on Tier 1 investments.



POST YEAR-END

Penta Hospitals International (PHI)

Owner of hospitals in the Czech Republic, Slovakia and Poland

– Nemocnice Vršovice, in Prague 10 – Vršovice, Czech Republic

Penta Hospitals Group CZ signed a share purchase agreement for the acquisition of hospital Vršovice, a specialized inpatient facility, providing complex orthopedic surgeries and post-operative rehabilitation, at the end of December 2021. This transaction was completed in January 2022. This facility also provides outpatient care for physiotherapy, cardiology and other medical specialties. This acquisition is in line with Penta's strategy to increase its presence within the fast developing Czech healthcare market.

– Alzheimercentrum, in Prague 8 – Karlín, Czech Republic

In March 2022, Alzheimer Home Group, a subsidiary of Penta Hospitals Group CZ, signed a framework agreement for the purchase of Alzheimercentrum, the second largest residential social care operator in the Czech Republic, with 1,700 beds in 12 facilities across the country. Individual facilities will be brought on board, step by step, until July 2022. The planned merger with Penta's Alzheimer Home will create a strong market leader, with a total of 3,500 beds in 32 facilities. This acquisition is in line with our strategy to develop our presence in the field of medical and social care, focusing on patients with Alzheimer's disease.

2021 Real Estate Activity



ACQUISITIONS

Penta Real Estate acquired land plots for development valued at approximately EUR 94 million in 2021, including:

Fourth Quadrant

Mixed-use development project, in Prague 6, Czech Republic

This long-awaited acquisition of 20,200 m² land plots from the University of Chemistry and Technology was completed in August 2021. The anticipated development project will create around 50,000 m² of rentable office and retail space, as well as 400 premium residential units.

Veolia Tři Nemovitosti

Three development projects, in Prague, Czech Republic

This acquisition involves three distinct sites in Prague, for residential developments in Vinohrady and Prosek and a mixed-use development located in Hostivar. This acquisition, from the leasing arm of the Unicredit Group, was completed in April 2021.

Dvorce

Residential development project, in Prague 4, Czech Republic

This acquisition of a 5,500 m² land plot in Prague 4 (from private individuals) was completed in July 2021. About 70 premium residential units are expected to be constructed in this sought-after location.

Dúbravka

Residential development project, in Bratislava IV – Dúbravka, Slovakia

Sizable add-on acquisitions to this existing project took place in 2021, expanding the original site by an additional 33,400 m², thus creating around 500 more residential units to the project.



Starohorská

Mixed-use development project, in Bratislava I – Staré Mesto, Slovakia

The acquisition of a 14,100 m² land plot in Bratislava I took place in May 2021 and is intended for mixed-use development. This project will consist of 300 high-end flats and 11,900 m² of commercial areas for lease.

DISPOSALS

DSP

Plot of land, in Warsaw, Poland

This Warsaw city centre located land plot was sold to international real estate firm Lincoln Property Company in August 2021.

RESIDENTIAL SALES

549 residential units sold, primarily in:

Bory Home – 2A, 2B, 3A

Residential development project, in Bratislava V – Lamač, Slovakia

This development is a part of the large scale Bory retail zone, which also includes a shopping mall; entertainment facilities and Penta's New Generation Hospital. In total 248 residential units were sold in 2021 (Bory Home phases 2B, 3A), while 287 residential units were delivered to clients in 2021 (Bory Home phase 2A).

Sky Park Residence

Residential development project: in Bratislava I – Staré Mesto, Slovakia

86 residential units in the fourth tower of this project were sold in 2021. 570 flats from the other three completed towers within this development were successfully handed over to clients during 2021.



Nusle Brewery

Nusle Brewery

Residential development project, in Prague 4 – Nusle, Czech Republic

The construction permit was obtained and building started in the summer of 2021. The sale of apartments in the first phase of this brownfield revitalization residential project was launched in 2021 with 96 residential units sold. By the end of 2024, the whole project (including the refurbishment of a historical landmark building which was formerly a brewery), will have added 485 residential units to the Prague 4 district.

Maison Ořechovka

Prestigious residential development project, in Prague 6 – Ořechovka, Czech Republic

72 residential units were sold during 2021 and 57 residential units were handed over to clients. The first phase of this project, totaling 68 residential units, was completed in February 2021.

Nová Waltrovka Residences

**Residential development project,
in Prague 5 – Jinonice, Czech Republic**

This project obtained a joint zoning and building permit for the construction of the first residential phase, as well as for a hotel within a large brownfield re-development site. This builds on the success of the already completed mixed-use area of Waltrovka and expands the district by around 500 residential units. The start of the sales process of the first residential phase began during 2021 and 17 residential units were sold.

Victoria Place

Residential development project, in Prague 6, Czech Republic

This project, comprising high-end housing, is located in the popular Prague 6 district. It offers 93 flats in total and received its building permit in August 2021, allowing construction to commence. The first residential units became available for sale in the second half of 2021 and during that period 26 residential units were sold.

LEASING PROGRESS

37,000 m² of rentable area was newly-leased during 2021, mainly in the following projects:

Sky Park Offices 1 (mid-rise)

Office development, in Bratislava I – Staré Mesto, Slovakia

This Vietzke & Borstelmann designed prime office space is in the centre of Bratislava's new Downtown district. The project offers 31,100 m² of rentable area and became available in January 2021. This development was 85% leased by the end of 2021, with anchor tenants such as Vacuumlabs, Dentons and Simplycity.

Sky Park Offices 2 (former heating plant)

Office development, in Bratislava I – Staré Město, Slovakia

This development draws on its historical ties with Dušan Jurkovič (one of the most influential Slovak architects) and offers 5,100 m² of space in a loft-style arrangement. This project was 100% leased by the end of 2021 with the main tenant being BASE a newly opened co-working hub run by Penta Real Estate.

Masaryk Station 1

Office and mixed-use development, in Prague 1 – Nové Město, Czech Republic

This development comprises:

- 27,500 m² of rentable office and retail space in two office buildings designed by Zaha Hadid Architects. The project was around 36% leased by the end of 2021.
- 12,000 m² Hotel Hybernská, fully let to Motel One hotels

The buildings are located in Prague's Central Business District and are a long awaited flagship development. The building permit was received in early 2021 allowing construction to commence. Completion of these unique buildings is planned for the second half of 2023.

DEVELOPMENT PROGRESS

Bory Home IV-A phase

Residential development project,
in Bratislava V – Lamač, Slovakia

A building permit was obtained in 2021 and construction of this project has now started. This phase will consist of 346 flats located on a land plot adjacent to Bory Home II-B.

Starohorská

Mixed-use development project, in Bratislava I – Staré
Město, Slovakia

The zoning permit for the first phase of this project was issued in 2021 for 73 flats.

Pri Mýte 3

Residential development project, in Bratislava III –
Nové Město, Slovakia

The third phase of this successful Pri Mýte development was granted a construction permit at the end of 2021 for 98 flats. Ground works began at the beginning of 2022.

Juliska

Residential development project, in Prague 6 – Dejvice,
Czech Republic

This residential project, consisting of three elegant apartment buildings (including a private courtyard), received a building permit in November 2021. The project offers 79 residential units. Ground works commenced at the beginning of 2022.

POST YEAR - END

ACQUISITIONS

Transgas

Mixed-used development project,
in Prague 2 – Vinohrady, Czech Republic

This land plot was acquired in March 2022. The project will provide around 8,900 m² of rentable office and retail areas, as well as 150 residential units.

Petrská

Premium residential development project,
in Prague 1 – Petrská, Czech Republic

This 3,000 m² land plot, in the historical part of Prague, was acquired in January 2022. The project is designed for building around 100 premium residential units.

Southbank

Mixed-use development project,
in Bratislava V – Petržalka, Slovakia

This project was acquired at the beginning of 2022 and is a land plot located in Bratislava on the north-eastern edge of Petržalka and north of Einsteinova Street. The site totals 86,000 m² of land which will be dedicated to mixed-use development. Once completed, the project will consist of 206,000 m² in office and residential areas.

DISPOSALS

Digital Park II

Office building, in Bratislava V – Petržalka, Slovakia

This project, comprising 61,300 m² of Class A office space in Bratislava, was sold to a Slovak investor in January 2022.

SmichOFF

Office and mixed-use development,
in Prague 5 – Smíchov, Czech Republic

This property is 12,000 m² of LEED Gold certified modern office space in the Smichov district, with key tenants such as Jaegermeister, OTIS and Regus. In 2021, around 2,000 m² was newly leased, bringing the total signed occupancy to around 74% by the end of 2021.

This modern Class A administrative building was successfully divested to Czech investment group Portiva in February 2022.



SmichOFF

Penta Support to Ukraine

The unjustifiable conflict in Ukraine is causing enormous suffering and a humanitarian disaster. Penta and its subsidiaries are lending their support to the people of Ukraine, with both financial and material aid to the value of more than EUR 3 million. Our objective is to provide targeted, meaningful assistance within Ukraine, as well as to those people displaced by fighting who are now seeking refuge across the borders.

Medical supplies

Due to the crisis situation facing hospitals in Ukraine, Penta Hospitals and Dr. Max are sending medical supplies and medicines plus first aid kits to the country and its border regions. These emergency supplies, transported to Ukraine in co-operation with NGOs, are based on real needs which have been identified by the hospitals themselves, as well as by the Ukrainian authorities. In addition to medical supplies, Dôvera has also despatched sleeping bags and mats, along with power banks to the hospital in Uzhhorod, a city in Ukraine just across the border from Slovakia.

Helping our employees and their families

Penta is providing assistance to the hundreds of Ukrainians employed within its portfolio of companies, to whom we wish to send a message that Penta is standing with them during these tragic times. We are providing support to many of their family members, who were forced to flee the country, helping them with transportation from the borders; material assistance and covering their accommodation costs.

Helping children from Ukrainian orphanages

Empik has been sending both material and financial aid to SOS Ukrainian Children, which is a charity arranging transportation to safety in Poland for children who were living in orphanages in Ukraine. Empik is also endeavouring to provide them with everything they might need, from mattresses and beds, to food, school equipment and toys.

Sports clubs aiding Ukraine

Our bookmaker Fortuna decided to donate all its winnings from the Russian football leagues to aid Ukraine. Since the beginning of 2022, this has amounted to EUR 150,000, which has been donated to the non-governmental organisation People in Need. Fortuna branches in Slovakia and Poland have also launched *Prihraj pomoc (Passing the Aid)* and *Futbalom na pomoc Ukrajine (Football to Ukraine's Aid)* to provide financial assistance to the Red Cross and People in Need. Staff from Fortuna in Romania are also pitching in, helping to transport hundreds of war refugees from the border to safe shelter.

Supporting Ukrainian journalists

Vltava Labe Media is financially supporting regional journalists based in Ukraine, many of whom have lost their livelihoods. With our support they have been able to continue working independently, reporting directly from the front line.

Humanitarian appeals

Bory Mall in Bratislava provided the space for the Association of Towns and Communities of Slovakia and the Embassy of Ukraine in the Slovak Republic to hold a humanitarian fundraising drive for Ukraine. It also served as a central collection point for sorting and assembling material aid, which non-profit organisations have then distributed to where it was most needed. Similar drives have been organised by Vltava Labe Media in three Czech cities.

Fundraising

Together with its employees, Penta Group organised a series of fundraising initiatives which have collected more than EUR 300,000 in donations. These funds, along with monies that have been earmarked by individual companies within the Group, will be used to help people within Ukraine and refugees who have travelled across the borders.



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 2021, 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 2021.

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 24.

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 23 March 2022.

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 24.

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.

Comparatives

The complete audited consolidated financial statements and the summary consolidated financial statements of the Group for the year ended 31 December 2020 were audited by Ernst & Young LLP, Jersey who expressed an unqualified opinion on those consolidated financial statements on 30 April 2021 and 2 June 2021, respectively.



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

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
12 May 2022

Summary Financial Results

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

(EUR '000)	31.12. 2021	31.12. 2020
Net realised gain on financial assets at fair value through profit or loss	29,688	16,880
Net unrealised gain on financial assets at fair value through profit or loss	713,687	202,331
Total net income	743,375	219,211
Management fee	(27,596)	(32,829)
Legal and professional fees	(1,316)	(2,090)
Carried interest charge	(86,634)	(15,136)
Change in fair value of financial liabilities at fair value through profit or loss	(2,147)	16,176
Other operating expenses	(2,902)	(3,081)
Total operating expenses	(120,595)	(36,960)
Operating profit	622,780	182,251
Interest expense	(37,828)	(49,664)
Interest income	1,885	2,048
Other finance (expense)/income, net	(14,358)	1,319
Finance loss, net	(50,301)	(46,297)
Profit before tax	572,479	135,954
Corporate income tax	(1,686)	(1,947)
Profit after tax	570,793	134,007
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	25	(15)
Total comprehensive income	570,818	133,992

The information on pages 20 to 27 was extracted directly from the unmodified audited annual consolidated financial statements of Penta Investments Limited, which were approved by the Board of Directors on 23 March 2022 and signed on its behalf by Mr Marek Peterčák. 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.

FINANCIAL RESULTS STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(EUR'000)	31.12.2021	31.12.2020
ASSETS		
Non-current assets		
Financial assets at fair value through profit or loss	3,532,939	3,371,454
Loans and advances	21	9,797
Other assets	3,328	468
	3,536,288	3,381,719
Current assets		
Financial assets at fair value through profit or loss	172,773	256,667
Loans and advances	116,994	23,397
Other assets	313	1,214
Carried interest receivable	13,366	-
Cash and cash equivalents	109,596	188,918
	413,042	470,196
TOTAL ASSETS	3,949,330	3,851,915
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	2,118	2,080
Share premium	850,151	817,378
Retained earnings and other reserves	2,177,931	1,607,113
Total equity	3,030,200	2,426,571
Non-current liabilities		
Financial liabilities at fair value through profit or loss	104,926	97,230
Borrowings	480,194	684,793
Other liabilities	1,839	1,468
	586,959	783,491
Current liabilities		
Carried interest payable	-	15,136
Financial liabilities at fair value through profit or loss	15,219	77,380
Borrowings	315,117	528,258
Other liabilities	1,835	21,079
	332,171	641,853
Total liabilities	919,130	1,425,344
TOTAL EQUITY AND LIABILITIES	3,949,330	3,851,915

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

(EUR '000)	Share Capital	Share Premium	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance as at 31 December 2019	2,080	841,741	1,473,121	-	2,316,942
Share issue	65	68,091	-	-	68,156
Share redemption	(65)	(92,454)	-	-	(92,519)
Profit for the year after tax	-	-	134,007	-	134,007
Exchange differences on translation of foreign operations	-	-	-	(15)	(15)
Balance as at 31 December 2020	2,080	817,378	1,607,128	(15)	2,426,571
Share issue	98	122,199	-	-	122,297
Share redemption	(60)	(89,426)	-	-	(89,486)
Profit for the year after tax	-	-	570,793	-	570,793
Exchange differences on translation of foreign operations	-	-	-	25	25
Balance as at 31 December 2021	2,118	850,151	2,177,921	10	3,030,200

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2021

(EUR'000)	31. 12. 2021	31. 12. 2020
Operating Cash Flow		
Acquisition of investments	(125,316)	(22,173)
Cash received from disposals	191,537	133,343
Investment funding	(1,337,228)	(1,585,866)
Cash received from investments	1,918,973	1,778,532
Management fees paid	(30,001)	(32,476)
Carried interest paid	(100,000)	(26,447)
Corporation tax paid	(1,446)	(2,205)
Other operating cash flow	(2,390)	(4,326)
Net cash flows from operating activities	514,129	238,382
Investment Cash Flow		
Loans provided	(140,640)	(83,722)
Repayment of loans provided	57,337	105,876
Interest from loans provided	576	2,889
Other cash paid from investment activities	(3,137)	-
Net cash flows (used in)/ from investing activities	(85,864)	25,043
Financing Cash Flow		
Cash received from bank borrowings	201,490	118,500
Repayment of bank borrowings	(426,802)	(110,749)
Cash received from issue of bonds	93,732	171,450
Repayment of bonds	(380,559)	(203,068)
Cash received from promissory notes	92,122	301,967
Repayment of promissory notes	(105,678)	(340,918)
Cash received from other borrowings	184,277	21,902
Repayment of other borrowings	(30,839)	(9,324)
Interest and fees on all borrowings	(45,342)	(56,915)
Share option proceeds received	14,934	21,290
Share options redemption proceeds	(104,922)	(76,958)
Net cash flows used in financing activities	(507,587)	(162,823)
Net (decrease)/increase in cash and cash equivalents	(79,322)	100,602
Cash and cash equivalents, at beginning of year	188,918	88,316
Cash and cash equivalents, at end of year	109,596	188,918

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GENERAL INFORMATION

The consolidated financial statements of Penta Investments Limited (the "Company") and its subsidiaries detailed in Note 3.1(b) ("the Group") for the year ended 31 December 2021 were authorized for issue by the Company's Board of Directors' on 23 March 2022. 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% (2020: 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 SIGNIFICANT 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.

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:

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SUMMARY FINANCIAL RESULTS

ENTITY	COUNTRY OF INCORPORATION	NATURE OF BUSINESS	PERCENTAGE OWNERSHIP	
			2021	2020
Penta Financial Services Limited (i)	Cyprus	Funding vehicle	99.999%	99.999%
Penta Investments Cyprus Limited	Cyprus	Management company	100%	100%
Penta Funding, a. s.	Slovak Republic	Funding vehicle	100%	100%
Penta Funding II, a.s.	Slovak Republic	Funding vehicle	100%	100%
Penta Funding CR, a.s.	Czech Republic	Funding vehicle	100%	100%
Penta Funding Public, s. r. o. (ii)	Slovak Republic	Funding vehicle	–	100%
Penta Funding Public II, s.r.o.	Slovak Republic	Funding vehicle	100%	100%
Penta Funding SOGE s. r. o.	Czech Republic	Funding vehicle	100%	100%
Penta Investments B.V.	The Netherlands	Management company	100%	100%

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

(ii) Penta Funding Public, s. r. o. was renamed to Penta RE Funding II s.r.o. and transferred to unconsolidated subsidiaries in 2021.

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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	
		2021	2020	2021	2020
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	–	100%	100%	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%
Iglo Holdings Limited	Cyprus	100%	100%	100%	100%
Kaseke Limited	Cyprus	100%	–	100%	100%
Kure Limited	Cyprus	–	85.714%	100%	100%
Lorea Investments Limited	Cyprus	99.999%	99.999%	99.999%	99.999%
Paroplyn Holdings Limited	Cyprus	100%	100%	100%	100%
Penta Real Estate Holding Limited	Cyprus	99.972%	99.972%	100%	100%
PLNAP Holdings Limited	Cyprus	–	99.901%	99.901%	99.901%
Rerari Limited	Cyprus	100%	100%	100%	100%
SKNAP Holdings Limited	Cyprus	99.169%	99.169%	99.169%	99.169%
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%

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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	
		2021	2020
Prima banka Slovensko, a. s.	Slovak Republic	99.551%	99.551%
Privatbanka, a. s.	Slovak Republic	99.999%	99.999%

The Company does not hold any material non-controlling interests (2020: None).

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