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## INDEPENDENT AUDITOR'S REPORT

*To the Shareholders of Niva Energo Limited Liability Company*

### Opinion

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We have audited the financial statements of Niva Energo LLC (the Company), which comprise:

- the statement of financial position as at 31 December 2018;
- the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

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

### Emphasis of Matter

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We draw attention to Note 20 to the financial statements, which discloses significant concentration of transaction and balances with related parties.

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

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Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Partner

"BAKER TILLY UKRAINE" LLP

25 March 2019

Kyiv, Ukraine



Vladimir Mukomela

**NIVA ENERGO LLC**

Financial Statements for the year ended 31 December 2018

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2018

<i>In thousands of UAH</i>	<b>Note</b>	<b>2018</b>	<b>2017</b>
Revenues	6	127 166	1 304
Cost of sales	7	(68 848)	(12 219)
<b>Gross profit/(loss)</b>		<b>58 318</b>	<b>(10 915)</b>
General and administrative expenses	8	(1 623)	(366)
Other operating income/(expenses), net	9	(15 028)	-
<b>Operating profit/(loss)</b>		<b>41 667</b>	<b>(11 281)</b>
Finance income	10	947	-
Finance costs	10	(22 230)	-
Foreign exchange loss, net	11	18 066	(23 813)
<b>Profit/(Loss) before income tax</b>		<b>38 450</b>	<b>(35 094)</b>
Income tax expense	12	(701)	-
<b>Profit/(Loss) for the period</b>		<b>37 749</b>	<b>(35 094)</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>37 749</b>	<b>(35 094)</b>

Approved for issue and signed on behalf of Management on 25 March 2019.

Andriy Simonovych  
Director

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2018**

<i>In thousands of UAH</i>	<b>Note</b>	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>1 January 2017</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13	316 147	381 856	-
Value added tax receivables	15	-	4 348	-
<b>Total non-current assets</b>		<b>316 147</b>	<b>386 204</b>	<b>-</b>
<b>Current assets</b>				
Inventories	14	166	227	-
Trade receivables	15	2 342	710	-
Loans issued	15	133 648	47 000	-
Prepayments	15	229	90	-
Value added tax receivables	15	4 830	25 439	-
Cash and cash equivalents	16	8 386	7	-
<b>Total current assets</b>		<b>149 601</b>	<b>73 473</b>	<b>-</b>
<b>Total assets</b>		<b>465 748</b>	<b>459 677</b>	<b>-</b>
<b>Equity</b>				
Issued capital	17	270	1	-
Retained earnings/(Accumulated deficit)		2 655	(35 094)	-
<b>Total equity</b>		<b>2 925</b>	<b>(35 093)</b>	<b>-</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Bank loans	18	255 775	-	-
Other non-current borrowings	18	150 227	-	-
<b>Total non-current liabilities</b>		<b>406 002</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Bank loans	18	52 168	-	-
Other current borrowings	18	4 469	226 252	-
Payables for purchase of non-current assets		-	268 264	-
Trade and other payables	19	183	254	-
Current income tax payable		1	-	-
<b>Total current liabilities</b>		<b>56 821</b>	<b>494 770</b>	<b>-</b>
<b>Total liabilities</b>		<b>462 823</b>	<b>494 770</b>	<b>-</b>
<b>Total equity and liabilities</b>		<b>465 748</b>	<b>459 677</b>	<b>-</b>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2018**

<i>In thousands of UAH</i>	<b>Share capital</b>	<b>Retained earnings/ (Accumulated deficit)</b>	<b>Total</b>
<b>Balance as at 1 January 2017</b>	-	-	-
Profit/(loss) for the period	-	(35 094)	<b>(35 094)</b>
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	<b>(35 094)</b>	<b>(35 094)</b>
Payment of issued capital	1	-	1
<b>Balance as at 31 December 2017</b>	<b>1</b>	<b>(35 094)</b>	<b>(35 093)</b>
Profit/(loss) for the period	-	37 749	<b>37 749</b>
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	<b>37 749</b>	<b>37 749</b>
Payment of issued capital	269	-	<b>269</b>
<b>Balance as at 31 December 2018</b>	<b>270</b>	<b>2 655</b>	<b>2 925</b>

The accompanying notes are an integral part of these financial statements.

**NIVA ENERGO LLC**

Financial Statements for the year ended 31 December 2018

**STATEMENT OF CASH FLOWS  
for the year ended 31 December 2018**

<i>In thousands of UAH</i>	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>			
Profit/(Loss) before income tax		38 450	(35 094)
Adjustments for:			
Depreciation of property, plant and equipment	13	65 861	10 954
Finance income	10	(947)	-
Finance costs	10	22 230	-
Foreign exchange loss, net	11	(18 793)	23 813
<b>Operating cash flows before working capital changes</b>		<b>106 801</b>	<b>(327)</b>
Changes in value added tax receivables		24 957	(29 787)
Changes in inventories		61	(227)
Changes in trade receivables		(1 632)	(710)
Changes in loans issued		(86 648)	(47 000)
Changes in prepayments made		(139)	(90)
Change in trade and other payables		(71)	254
<b>Cash generated from operating activities</b>		<b>43 329</b>	<b>(77 887)</b>
Income taxes paid		(700)	-
Interest received		947	-
<b>Net cash from operating activities</b>		<b>43 576</b>	<b>(77 887)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(261 676)	(148 359)
Proceeds from disposal of property, plant and equipment			
<b>Net cash used in investing activities</b>		<b>(261 676)</b>	<b>(148 359)</b>
<b>Cash flows from financing activities</b>			
Payment of issued capital		269	1
Proceeds from borrowings	18	509 995	233 752
Repayment of borrowings	18	(265 472)	(7 500)
Interest paid	18	(13 950)	-
Commission paid		(2 403)	-
<b>Net cash (used in)/generated from financing activities</b>		<b>228 439</b>	<b>226 253</b>
<b>Net increase in cash and cash equivalents</b>		<b>10 339</b>	<b>7</b>
Effect of exchange rate changes on cash	11	(1 960)	-
<b>Cash and cash equivalents at the beginning of the year</b>		<b>7</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>8 386</b>	<b>7</b>

The accompanying notes are an integral part of these financial statements.