

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Niva Energo Limited Liability Company

Opinion

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

- the statement of financial position as at 31 December 2019;
- 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 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

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

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

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company'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 2020

Kyiv, Ukraine



Vladimir Mukomela

STATEMENT OF COMPREHENSIVE INCOME
 for the year ended 31 December 2019

<i>In thousands of UAH</i>	Note	2019	2018
Revenues	6	118 770	127 166
Cost of sales	7	(69 347)	(68 848)
Gross profit/(loss)		49 423	58 318
General and administrative expenses	8	(914)	(1 623)
Other operating income/(expenses), net	9	(37 809)	(15 028)
Operating profit/(loss)		10 700	41 667
Finance income	10	1 086	947
Finance costs	10	(30 488)	(22 230)
Foreign exchange loss, net	11	73 599	18 066
Profit/(Loss) before income tax		54 897	38 450
Income tax expense	12	(9 882)	(701)
Profit/(Loss) for the period		45 015	37 749
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		45 015	37 749

Approved for issue and signed on behalf of Management on 25 March 2020.

Andriy Simonovych
 Director



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

STATEMENT OF FINANCIAL POSITION
as at 31 December 2019

<i>In thousands of UAH</i>	Note	31 December 2019	31 December 2018
Assets			
Non-current assets			
Property, plant and equipment	13	250 236	316 147
Total non-current assets		250 236	316 147
Current assets			
Inventories	14	163	166
Trade receivables	15	6 549	2 342
Loans issued	15	142 341	133 648
Prepayments	15	234	229
Income tax receivables		2 133	-
Value added tax receivables	15	-	4 830
Cash and cash equivalents	16	3 557	8 386
Total current assets		154 977	149 601
Total assets		405 213	465 748
Equity			
Issued capital	17	270	270
Retained earnings		47 670	2 655
Total equity		47 940	2 925
Liabilities			
Non-current liabilities			
Bank loans	18	171 293	255 775
Other non-current borrowings	18	125 158	150 227
Total non-current liabilities		296 451	406 002
Current liabilities			
Bank loans	18	42 901	52 168
Other current borrowings	18	16 286	4 469
Trade and other payables	19	1 635	183
Current income tax payable		-	1
Total current liabilities		60 822	56 821
Total liabilities		357 273	462 823
Total equity and liabilities		405 213	465 748

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

NIVA ENERGO LLC

Financial Statements for the year ended 31 December 2019

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2019

<i>In thousands of UAH</i>	Share capital	Retained earnings/ (Accumulated deficit)	Total
Balance as at 31 December 2017	1	(35 094)	(35 093)
Profit/(loss) for the period	-	37 749	37 749
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	37 749	37 749
Payment of issued capital	269	-	269
Balance as at 31 December 2018	270	2 655	2 925
Profit/(loss) for the period	-	45 015	45 015
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	45 015	45 015
Payment of issued capital	-	-	-
Balance as at 31 December 2019	270	47 670	47 940

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

NIVA ENERGO LLC

Financial Statements for the year ended 31 December 2019

STATEMENT OF CASH FLOWS
for the year ended 31 December 2019

<i>In thousands of UAH</i>	Note	2019	2018
Cash flows from operating activities		54 897	38 450
Profit/(Loss) before income tax			
Adjustments for:			
Depreciation of property, plant and equipment	13	65 866	65 861
Finance income	10	(1 086)	(947)
Finance costs	10	30 488	22 230
Foreign exchange loss, net	11	(73 905)	(18 793)
Operating cash flows before working capital changes		76 260	106 801
Changes in value added tax receivables		4 830	24 957
Changes in inventories		3	61
Changes in trade receivables		(4 207)	(1 632)
Changes in loans issued		(8 694)	(86 648)
Changes in prepayments made		(5)	(139)
Change in trade and other payables		1 451	(71)
Cash generated from operating activities		69 638	43 329
Income taxes paid		(12 016)	(700)
Interest received		1 086	947
Net cash from operating activities		58 708	43 576
Cash flows from investing activities			
Purchase of property, plant and equipment		(38)	(261 676)
Proceeds from disposal of property, plant and equipment		83	-
Net cash used in investing activities		45	(261 676)
Cash flows from financing activities			
Payment of issued capital		-	269
Proceeds from borrowings	18	-	509 995
Repayment of borrowings	18	(46 234)	(265 472)
Interest paid	18	(15 992)	(13 950)
Commission paid		(1 353)	(2 403)
Net cash (used in)/generated from financing activities		(63 579)	228 439
Net increase in cash and cash equivalents		(4 826)	10 339
Effect of exchange rate changes on cash	11	(3)	(1 960)
Cash and cash equivalents at the beginning of the year		8 386	7
Cash and cash equivalents at the end of the year	16	3 557	8 386

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