

# **NIVA ENERGO LLC**

Financial Statements

for the year ended 31 December 2020

With independent auditor's report

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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 2020;
- 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 2020, 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (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 transactions and balances with related parties.

Our opinion is not modified in respect of this matter.

### 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.

## 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

23 March 2021

Kyiv, Ukraine



Vladimir Mukomela

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**STATEMENT OF COMPREHENSIVE INCOME**  
 for the year ended 31 December 2020, in UAH'000

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
Revenue	6	111 054	118 770
Cost of sales	7	(69 764)	(69 347)
<b>Gross profit</b>		<b>41 290</b>	<b>49 423</b>
General and administrative expenses	8	(852)	(914)
Other operating income (expenses), net	9	(4 387)	(37 809)
<b>Operating profit</b>		<b>36 051</b>	<b>10 700</b>
Finance income	10	88	1 086
Finance costs	10	(30 685)	(30 488)
Foreign exchange gain (loss), net	11	(109 934)	73 599
<b>Profit (loss) before income tax</b>		<b>(104 480)</b>	<b>54 897</b>
Income tax expense (benefit)	12	18 807	(9 882)
<b>Profit (loss) for the period</b>		<b>(85 673)</b>	<b>45 015</b>
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>(85 673)</b>	<b>45 015</b>

Approved for issue and signed on behalf of Management on 23 March 2021.

Andriy Simonovych  
 Director



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

**NIVA ENERGO LLC**

Financial Statements for the year ended 31 December 2020

**STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2020, in UAH'000

	Notes	31 December 2020	31 December 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	184 380	250 236
Deferred tax assets	12	18 807	-
		<b>203 187</b>	<b>250 236</b>
<b>Current assets</b>			
Inventories	14	166	163
Trade receivables	15	73 122	6 549
Loans issued	15	139 575	142 341
Prepayments made	15	277	234
Current income tax prepaid		2 133	2 133
Cash and cash equivalents	16	3 058	3 557
		<b>218 331</b>	<b>154 977</b>
<b>Total assets</b>		<b>421 518</b>	<b>405 213</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	17	270	270
Retained earnings / (Accumulated deficit)		(38 003)	47 670
<b>Total equity</b>		<b>(37 733)</b>	<b>47 940</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank loans	18	180 211	171 293
Other non-current borrowings	18	164 558	125 158
		<b>344 769</b>	<b>296 451</b>
<b>Current liabilities</b>			
Bank loans	18	62 579	42 901
Other current borrowings	18	37 826	16 286
Trade and other payables	19	14 077	1 635
		<b>114 482</b>	<b>60 822</b>
<b>Total liabilities</b>		<b>459 251</b>	<b>357 273</b>
<b>Total equity and liabilities</b>		<b>421 518</b>	<b>405 213</b>

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

**STATEMENT OF CHANGES IN EQUITY**  
 for the year ended 31 December 2020, in UAH'000

	Issued capital	Retained earnings / (Accumulated deficit)	Total
<b>As at 1 January 2019</b>	<b>270</b>	<b>2 655</b>	<b>2 925</b>
Profit (loss) for the period	-	45 015	45 015
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>45 015</b>	<b>45 015</b>
<b>As at 31 December 2019</b>	<b>270</b>	<b>47 670</b>	<b>47 940</b>
Profit (loss) for the period	-	(85 673)	(85 673)
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>(85 673)</b>	<b>(85 673)</b>
<b>As at 31 December 2020</b>	<b>270</b>	<b>(38 003)</b>	<b>(37 733)</b>

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

**STATEMENT OF CASH FLOWS**  
 for the year ended 31 December 2020, in UAH'000

	Notes	2020	2019
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax		(104 483)	54 897
Adjustments for:			
Depreciation of property, plant and equipment	7,8	65 856	65 866
Finance income	10	(88)	(1 086)
Finance costs	10	30 686	30 488
Foreign exchange loss, net	11	109 589	(73 905)
Expected credit losses of trade receivables	9	4 387	-
<b>Operating cash flows before working capital changes</b>		<b>105 947</b>	<b>76 260</b>
Changes in value added tax receivables		-	4 830
Changes in inventories		-	3
Changes in trade receivables		(70 960)	(4 207)
Changes in loans issued		2 766	(8 694)
Changes in prepayments made		(43)	(5)
Change in trade and other payables		12 435	1 451
<b>Cash generated from operating activities</b>		<b>50 145</b>	<b>69 638</b>
Income taxes paid		-	(12 016)
Interest received		88	1 086
<b>Net cash from (used in) operating activities</b>		<b>50 233</b>	<b>58 708</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		-	83
Purchase of property, plant and equipment		-	(38)
<b>Net cash from (used in) investing activities</b>		<b>-</b>	<b>45</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(34 914)	(46 234)
Interest paid		(14 365)	(15 992)
Commission paid		(1 461)	(1 353)
<b>Net cash from (used in) financing activities</b>		<b>(50 740)</b>	<b>(63 579)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(507)</b>	<b>(4 826)</b>
Effect of exchange rate changes on cash		8	(3)
Cash and cash equivalents at the beginning of the year		3 557	8 386
<b>Cash and cash equivalents at the end of the year</b>		<b>3 058</b>	<b>3 557</b>

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