

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Niva Invest Limited Liability Company

### Opinion

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We have audited the financial statements of Niva Invest 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.

### Material Uncertainty Related to Going Concern

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We draw attention to Note 2 paragraph 'Going concern' in the financial statements, which indicates that the Company incurred a net loss in amount of UAH 45 975 thousand during the year ended 31 December 2020 and, as of that date, the Company's equity is negative and its current liabilities exceeds current assets by UAH 20 023 thousand. As stated in Note 2 paragraph 'Going concern', these events or conditions, along with other matters as set in mentioned Note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our report is not modified in respect of this matter.

### Emphasis of Matter

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Without qualifying our opinion, 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

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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.

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Baker Tilly Ukraine LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

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

25 May 2021

Kyiv, Ukraine



Vladimir Mukomela

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

	Notes	2020	2019
Revenue	6	101 219	108 530
Cost of sales	7	(65 421)	(64 933)
<b>Gross profit</b>		<b>35 798</b>	<b>43 597</b>
General and administrative expenses	8	(1 083)	(1 125)
Other operating income (expenses), net	9	(2 806)	(20 554)
<b>Operating profit</b>		<b>31 909</b>	<b>21 918</b>
Finance income	10	165	630
Finance costs	10	(15 006)	(16 115)
Foreign exchange gain (loss), net	11	(65 670)	45 660
<b>Profit (loss) before income tax</b>		<b>(48 602)</b>	<b>52 093</b>
Income tax expense (benefit)	12	2 627	(3 267)
<b>Profit (loss) for the period</b>		<b>(45 975)</b>	<b>48 826</b>
<b>Other comprehensive income for the period, net of tax</b>		-	-
<b>Total comprehensive income for the period</b>		<b>(45 975)</b>	<b>48 826</b>

Approved for issue and signed on behalf of Management on 25 May 2021.

Andrii Simonovych  
Director



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

**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	223 366	285 442
		<b>223 366</b>	<b>285 442</b>
<b>Current assets</b>			
Inventories	14	187	187
Trade receivables	15	65 362	5 176
Loans issued	15	131 277	129 652
Prepayments made	15	359	382
Value added tax receivable	15	-	2 313
Current income tax prepaid		1 805	2 305
Cash and cash equivalents	16	4 896	2 739
		<b>203 886</b>	<b>142 754</b>
<b>Total assets</b>		<b>427 252</b>	<b>428 196</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	17	2 970	2 970
Share premium		21	21
Retained earnings		2 764	48 739
<b>Total equity</b>		<b>5 755</b>	<b>51 730</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank loans	18	194 864	170 385
Other non-current borrowings	18	2 084	1 585
Deferred tax liabilities	12	640	3 267
		<b>197 588</b>	<b>175 237</b>
<b>Current liabilities</b>			
Bank loans	18	57 246	46 104
Other current borrowings	18	154 251	154 008
Trade and other payables	19	12 412	1 117
		<b>223 909</b>	<b>201 229</b>
<b>Total liabilities</b>		<b>421 497</b>	<b>376 466</b>
<b>Total equity and liabilities</b>		<b>427 252</b>	<b>428 196</b>

Approved for issue and signed on behalf of Management on 25 May 2021.

Andrii Simonovych  
Director



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

	<b>Issued capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
<b>As at 1 January 2019</b>	<b>300</b>	<b>18</b>	<b>(87)</b>	<b>231</b>
Profit (loss) for the period	-	-	48 826	48 826
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income</b>	-	-	<b>48 826</b>	<b>48 826</b>
Payment of issued capital	2 670	3	-	2 673
<b>As at 31 December 2019</b>	<b>2 970</b>	<b>21</b>	<b>48 739</b>	<b>51 730</b>
Profit (loss) for the period	-	-	(45 975)	(45 975)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income</b>	-	-	<b>(45 975)</b>	<b>(45 975)</b>
<b>As at 31 December 2020</b>	<b>2 970</b>	<b>21</b>	<b>2 764</b>	<b>5 755</b>

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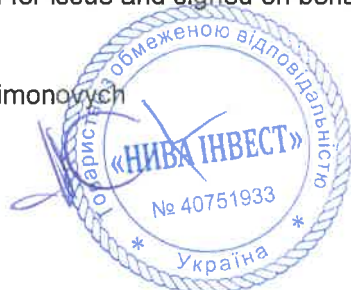
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**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2020, in UAH'000

	Notes	2020	2019
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax		(48 602)	52 093
Adjustments for:			
Depreciation of property, plant and equipment	7, 8	62 076	61 811
Finance income	10	(165)	(630)
Finance costs	10	15 006	16 115
Foreign exchange loss, net	11	65 323	(45 767)
Expected credit losses of trade receivables	9	3 350	-
<b>Operating cash flows before working capital changes</b>		<b>96 988</b>	<b>83 622</b>
Changes in value added tax receivables		2 313	9 353
Changes in trade receivables		(63 536)	(3 550)
Changes in loans issued		(1 625)	(53 150)
Changes in prepayments made		23	(16)
Change in trade and other payables		11 295	566
<b>Cash generated from operating activities</b>		<b>45 458</b>	<b>36 825</b>
Income taxes (paid) reimbursed		500	(305)
Interest received		165	630
<b>Net cash from operating activities</b>		<b>46 123</b>	<b>37 150</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(9 521)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(9 521)</b>
<b>Cash flows from financing activities</b>			
Payment of issued capital		-	2 670
Proceeds from borrowings	18	-	1 840
Repayment of borrowings	18	(29 017)	(15 841)
Interest paid	18	(14 846)	(16 266)
Commission paid		(103)	(2)
<b>Net cash used in financing activities</b>		<b>(43 966)</b>	<b>(27 599)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2 157</b>	<b>30</b>
Effect of exchange rate changes on cash		-	(4)
Cash and cash equivalents at the beginning of the year	16	2 739	2 713
<b>Cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>4 896</b>	<b>2 739</b>

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