COMPANY WITH FOREIGN INVESTMENTS
AMIC UKRAINE

SEPARATE FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

Together with Independent Auditor's Report

Contents:

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

BDO

www.bdo.ua

Tel.: +38 044 393 26 87
Fax: +38 044 393 26 91
e-mail: bdo@bdo.kiev.ua

Tel.: +38 056 370 30 43
Fax: +38 056 370 30 45
e-mail: dnipro@bdo.com.ua

BDO LLC

201-203, Kharkivske Road, 10th floor
Kyiv
Ukraine, 02121

4, Andriya Fabra Str.
Dnipro
Ukraine, 49000

INDEPENDENT AUDITOR'S REPORT

To the Owners of the Company with Foreign Investments AMIC UKRAINE

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of the Company with Foreign Investments AMIC UKRAINE (code EDRPOU 30603572, address: 68, Verhniy Val St., Kyiv, 04071; further – the Company), which comprise:

- The Separate Statement of Financial Position as at December 31, 2021;
- The Separate Statement of Comprehensive Income for 2021;
- The Separate Statement of Cash Flows for 2021;
- The Separate Statement of Changes in Equity for 2021;
- Note to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and financial performance and cash flows for the year then ended in accordance with the requirements of International Financial Reporting Standards (IFRS) and the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated 16.07.1999 No. 996-XIV in respect of the financial reporting preparation.

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 Separate 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) and the ethical requirements applied in Ukraine to our audit of the separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with 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

We draw attention to Note 39 to the separate financial statements, which states that starting from February 24, 2022, a full-scale invasion of the russian federation into the territory of Ukraine began, which led to a significant deterioration of the economic situation in the country and uncertainty about further developments. These events resulted in deterioration of all significant financial indicators of the Company in 2022.

We also draw attention to Note 3 to the separate financial statements, which states that as of December 31, 2021, the Company has a negative equity in the amount of UAH 6 169 300 thousand (as of December 31, 2020: UAH 7 245 802 thousand), and current liabilities are less than its current assets by UAH 739 965 thousand (as of December 31, 2020: current liabilities exceed its current assets by UAH 884 257 thousand). The Company earned a net profit of UAH 320 141 thousand for the year ended December 31, 2021 (net loss for the year ended December 31, 2020: UAH 1 631 198 thousand). Positive cash flow from operating activities for 2021 was UAH 389 009 thousand (positive cash flow from operating activities for 2020 was UAH 279 494 thousand). These events, which are noted in Note 39 and circumstances, together with other matters referred to in Note 3 to these separate financial statements, indicate the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Description of audit procedures
1 Measurement of PPE impairment	
As at December 31, 2021, the total book value of the Company's PPE amounted to UAH 1 641 346 thousand, which represents 58% of the total cost of the Company's assets. Management measured the value in use and external impairment of non-current assets by cash generating units. As a result of the testing performed by Management, no impairment was identified. The expected recoverable amount was either above or in line with their carrying values, and there were no reasons to accrue or reverse previously accrued impairment losses. We paid particular attention to measuring the impairment of property, plant and equipment because the measurement process is complex, involves significant management judgment, and is based on assumptions that are affected by projected future market and economic conditions that are inherently uncertain. The impairment test is sensitive to reasonably possible changes in assumptions. The most significant judgments relate to the discount rate applied next to the assumptions, on which the related projected cash flows are based, the growth rate, and the underlying planning periods. Reference to Notes 5, 8 of the accompanying financial statements.	We obtained and analyzed the financial models used by Management to measure the impairment of property, plant and equipment. We engaged our valuation experts to form our opinion on the assumptions and methodology used in performing the impairment test. Our audit procedures for Management's measurement of impairment of property, plant and equipment included the following: ▪ verification of the methodology used by the Company's management in performing the impairment test; ▪ testing on a sampling basis of the key assumptions used in the financial models and their consistency with the approved financial plan, external available and reliable information and our industry-specific expertise; ▪ review of the accuracy and appropriateness of inputs included by Management in the financial models for assessing the impairment of property, plant and equipment; ▪ obtaining Management's explanations to perform the impairment tests of property, plant and equipment. In addition, we assessed the adequacy of the disclosures in Note 8 to the Company's separate financial statements.

Key audit matters	Description of audit procedures
2 Disclosure of events after the reporting period	
The Company's management is required to identify material events after the reporting period and to make appropriate adjustments in the Company's separate financial statements, if such events are adjusting, or to provide appropriate disclosures. The Company's management concluded that the full-scale invasion of Ukraine by the russian federation, which began on February 24, 2022, did not affect the application of the going concern principle in preparing the separate financial statements for 2021, and is a non-adjusting event after the reporting period and requires a relevant disclosure. Factoring in the material impact of these events on the Company, we have determined the adequacy and compliance of the information in Note 39 "Events after the reporting period" with the IFRS requirements as a significant risk to our audit. As a result, we have planned additional procedures to verify management's assertions, the operation of the internal control system, the completeness and accuracy of the information set out in Notes to the separate financial statements. See Note 39 to the separate financial statements.	Our audit procedures for reflecting events after the reporting period included the following: ▪ Meetings, surveys and detailed analysis of the situation from the Company's representatives; ▪ Performing sampling inspection of property, plant and equipment of the Company; ▪ Reconciliation of information in Notes with information from the Company's accounting system; ▪ Verification of publicly available information and its comparison, as well as of our general understanding of the situation, with disclosures in Notes to the separate financial statements; ▪ Verification of management's assertions contained in the disclosure of events after the reporting period, namely forecasts of developments; ▪ Examination of other internal sources of information on possible events that were not disclosed, including the minutes of the meetings of the Owners, interim separate financial statements of the Company. In addition, we assessed the adequacy of the disclosures in Note 39 to the Company's separate financial statements.

Other information

Management of the Company is responsible for the other information prepared as at and for the year ended December 31, 2021.

Other information consists of:

- Separate Management Report for 2021, prepared in accordance with the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated 16.07.1999 No. 996-XIV, as amended;
- Report on the separate financial statements prepared based on IFRS Financial Reporting Taxonomy in a single electronic format (iXBRL) as at and for the year ended December 31, 2021, prepared in accordance with the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated 16.07.1999 No. 996-XIV, as amended.

Our opinion on the separate financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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.

Separate Management Report

The Company plans to prepare and publish the Management Report for 2021 after the date of publication of this Independent Auditor's Report. Upon receiving and reviewing of the Management Report for 2021, if we conclude that there is a material misstatement thereof, we will also inform of this fact those charged with governance.

Report on the separate financial statements prepared based on IFRS Financial Reporting Taxonomy in a single electronic format (iXBRL)

The Company plans to prepare and publish the separate financial statements prepared based on Financial Reporting Taxonomy under IFRS in a single electronic format (iXBRL) for 2021 after the date of publication of this Independent Auditor's Report. Upon receiving and reviewing the separate financial statements prepared based on Financial Reporting Taxonomy under IFRS in a single electronic format (iXBRL), if we conclude that there is a material misstatement thereof, we will inform of this fact those charged with governance.

Responsibility of management and those charged with governance for the separate financial statements

Management of the Company is responsible for the preparation and fair presentation of these separate financial statements in accordance with IFRS and the requirements of the Law of Ukraine "On accounting and reporting in Ukraine" dated 16.07.1999 No. 996-XIV in respect of financial statements preparation, and for such internal control as Management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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 assumptions as a basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements 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 separate 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 separate 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 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 separate 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the requirements of other laws and regulations

This information is provided in compliance with the requirements of part 4, Article 14 of the Law of Ukraine "On Audit of Financial Reporting and Audit Activity" dated December 21, 2017, No. 2258-VIII on the provision of additional information based on the results of the Company's statutory audit of a public interest entity:

1. BDO LLC was appointed to perform this statutory audit assignment by the Decision of the Company's Owner dated August 30, 2021. The Report on the Audit of Separate Financial Statements section of this Independent Auditor's Report discloses information about the scope of the audit and the inherent limitations.

2. Total duration of the statutory audit assignment in respect of the Company's separate financial statements by BDO LLC, taking into account the prolongation of authorities that took place, and the repeated appointments, is 5 (five) years. For BDO LLC, this assignment is also the third year of the separate financial statements' statutory audit of the Company after the Company was recognized as a public interest entity in accordance with the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" dated July 16, 1999 No. 996-XIV.

3. In the Key Audit Mattes section of this report, we disclosed matters that were of greatest importance during the audit of the current period's separate financial statements and which, according to our professional judgment, should be focused towards. These matters were considered in the context of our audit of separate financial statements as a whole and taken into account when forming our opinion thereon; in doing so, we do not express a separate opinion on these matters. During this statutory audit engagement, we did not identify any other matters relating to the audit estimates, the information about which we consider appropriate to disclose in accordance with the requirements of paragraph 4.3 Article 14 of the Law "On the Audit of Financial Reporting and Audit Activity" dated December 21, 2017 No. 2258-VIII.

4. The information contained herein regarding the audit of the Company's separate financial statements was agreed with the information in the Supplementary Report for the Owner dated December 30, 2022.

5. During 2021, BDO LLC did not provide the Company with other services, except for audit of separate and consolidated financial statements as at December 31, 2021 and for the year then ended.

6. BDO LLC and a Key Audit Partner are independent to the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (further – IESBA Code) and ethical requirements applied in Ukraine to our audit of separate financial statements, and we performed other ethical responsibilities in accordance with these requirements and the IESBA Code. During the audit, we have not identified any additional facts or issues that could affect our independence and which we would like to draw your attention to.

7. BDO LLC did not provide the Company with other services prohibited in accordance with the requirements of Article 6 of the Law of Ukraine "On the Audit of Financial Statements and Audit Activities" dated December 21, 2017, No. 2258-VIII for 2021 and from January 01, 2022 to the date of signing this Independent Auditor's Report.

The audit was performed under the supervision of the Key Audit Partner, Nikolaenko Oleksandr M.

Key Audit Partner O. M. Nikolaenko

Number of registration with the Register of auditors and audit entities: 101534

Kyiv, December 30, 2022

Limited Liability Company BDO. Identification code under EDRPOU: 20197074. Number of registration with the Register of Auditors and Audit Entities: 2868. Legal address: 4, Andriia Fabra Str., Dnipro, 49070. Tel. 044 393-26-91.

BDO LLC is included in the Register of auditors and audit entities in section 4 "Audit entities that have the right to conduct statutory audit of financial statements of public interest entities". Link to the Register: https://www.apu.com.ua/subjekty-audytorskoi-dijalnosti-jaki-majut-pravo-provodyty-obovjazkovyj-audyt-finansovoi-zvitnosti-pidpryjemstv-shho-stanovljat-suspilnyj-interes/

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the Independent Auditor's Report on pages I-VI, is made with a view to distinguishing the respective responsibilities of Management and those of the independent auditors in relation to the separate financial statements of the CFI AMIC UKRAINE (further – the Company).

Management of the Company is responsible for the preparation of the separate financial statements that present fairly, in all material respects, the financial position of the Company as at December 31, 2021, its financial performance and cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

In preparing the separate financial statements, Management of the Company is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Applying reasonable estimates and assumptions;
- Compliance with relevant IFRS and disclosure of all material departures in Notes to the separate financial statements;
- Preparing the separate financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

The Company's Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Company;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the separate financial statements of the Company comply with IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- Preventing and detecting fraud and other irregularities.

The separate financial statements of the Company for 2021 were approved on December 30, 2022.

Signed on behalf of the Company:

General Director ____________________ Stropus Audrius

Chief Accountant ____________________ Yartseva Tetiana Volodymyrivna

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

(in thousands of UAH)

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	31.12.2021	31.12.2020
ASSETS			
I. Non-current assets			
Intangible assets	7	4 530	900
original cost	7	13 656	9 175
accumulated amortization	7	(9 126)	(8 275)
Construction in progress	8	13 924	11 956
Property, plant and equipment	8	1 641 346	1 602 223
original cost	8	2 259 107	2 054 137
depreciation	8	(617 761)	(451 914)
Investment property	9	7 462	11 193
original cost	9	22 386	22 386
depreciation	9	(14 924)	(11 193)
Long-term financial investments accounted for at equity method	10	4 342	7 250
Long-term accounts receivable		662	3 053
Other non-current assets	11	8 093	11 223
Total in Section I		**1 680 359**	**1 647 798**
II. Current assets			
Inventories	12	693 894	453 143
Accounts receivable for goods, works and services	13	87 797	50 193
Accounts receivable from advances made	14	159 364	284 919
Accounts receivable on settlements with budget	15	32 979	304
including income tax	15	304	304
Other current accounts receivable	13	9 360	6 629
Cash and cash equivalents	16	147 027	259 643
Other current assets	17	664	466
Total in section II		**1 131 085**	**1 055 297**
III. Non-current assets held for sale and disposal groups		-	-
Balance		**2 811 444**	**2 703 095**

Notes on pages 7-48 are an integral part of these separate financial statements.

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	Note	31.12.2021	31.12.2020
Liability			
I. Equity			
Authorized capital	18	51 931	51 931
Additional capital	18	1 996 562	1 240 197
Retained earnings (uncovered loss)	18	(8 217 793)	(8 537 930)
Total in section I		**(6 169 300)**	**(7 245 802)**
II. Long-term liabilities and provisions			
Deferred tax liabilities	34	89 111	86 113
Other long-term loan liabilities	19	8 489 922	7 904 123
Other long-term lease liabilities	20	10 591	19 107
Total in Section II		**8 589 624**	**8 009 343**
III. Current liabilities and provisions			
Current accounts payable on:			
Long-term liabilities	19, 20	9 160	1 464 426
Goods, works, services	21	193 373	99 936
Settlements with budget	22	8 706	9 449
Insurance	22	3 747	3 196
Remuneration of labor	22	16 313	12 949
Current payables on advances received	22	102 178	84 884
Current provisions	23	49 444	56 935
Deferred income	26	-	26 892
Other current liabilities	19, 24	8 199	180 887
Total in Section III		**391 120**	**1 939 554**
IV. Liabilities related to non-current assets held for sale and disposal groups		-	-
Balance		**2 811 444**	**2 703 095**

Approved by the Management of the Company and signed on its behalf:

General Director ______________ Stropus Audrius

General Director ______________ Yartseva Tetiana Volodymyrivna

Notes on pages 7-48 are an integral part of these separate financial statements.

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Верхній Вал 68, Київ 04071, Україна
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(in thousands of UAH)

SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR 2021

	Note	2021	2020
Net income from sales of products (goods, works, services)	27	11 109 822	7 366 868
Cost of sold products (goods, works, services)	28	(9 623 689)	(6 038 963)
Gross profit		**1 486 133**	**1 327 905**
Other operating income	31	24 509	36 298
Administrative expenses	29	(132 315)	(129 635)
Distribution costs	30	(1 111 059)	(956 309)
Other operating expenses	31	(48 837)	(19 496)
Financial result from operating activity		**218 431**	**258 763**
Equity income	10	-	207
Other financial income	32	1 005	3 508
Other income	33	535 241	23 945
Financial expenses	32	(428 366)	(414 297)
Equity loss	10	(2 908)	(5 762)
Other expenses	33	(264)	(1 497 950)
Financial result before tax		**323 139**	**(1 631 586)**
Income tax gain/(expenses)	34	**(2 998)**	**388**
Net profit/(loss)		**320 141**	**(1 631 198)**
Other comprehensive income		**-**	**-**
Total comprehensive income/(loss) for the year		**320 141**	**(1 631 198)**

Approved by the Management of the Company and signed on its behalf:

General Director ______________________ Stropus Audrius

General Director ______________________ Yartseva Tetiana Volodymyrivna

Notes on pages 7-48 are an integral part of these separate financial statements.

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(in thousands of UAH)

SEPARATE STATEMENT OF CASH FLOWS FOR 2021

	Note	2021	2020
I. Cash flows from operating activity			
Inflows from:			
Sale of products (goods, works, services)		12 969 789	8 699 862
Return of taxes and levies		33	210
Target financing		24	-
Inflows from advances from buyers and customers		212 412	146 841
Inflows from return of advances		201 476	47 358
Inflows from interest on cash balances on current accounts		1 005	3 508
Inflows from borrowers of forfeits (fines, penalties)		2 313	7 111
Inflows from operating leases		24 800	25 855
Other inflows		8 518	7 616
Expenses to pay:			
Goods (works, services)		(12 119 307)	(7 279 677)
Remuneration of labor		(336 334)	(301 033)
Social charges		(86 065)	(75 717)
Tax and duties payable		(245 338)	(212 430)
Payment of advances		(223 620)	(757 999)
Return of advances		(3 978)	(9 937)
Other expenses		(16 719)	(22 074)
Net cash flows from operating activities		**389 009**	**279 494**
II. Cash flow from investment activity			
Inflows from sales of:			
Financial investment		-	-
Non-current assets		1 897	1 447
Other inflows		-	-
Expenses to purchase:			-
Financial investment		-	-
Non-current assets		(259 264)	(243 772)
Net cash flow from investment activity		**(257 367)**	**(242 325)**
III. Cash flow from financing activities			
Inflows from:			
Equity		-	-
Receipt of loans	19	-	-
Expenses to repay interest for using a leased property	32	(3 096)	(4 076)
Outflows for:			
Granting of loans		-	(5 000)
Repayment of loans	25	(216 450)	-
Net cash flow from financing activities		(219 546)	(9 076)
Net cash flow for the reporting period		**(87 904)**	**28 093**
Opening cash balance	16	259 643	206 734
Effect of changes in exchange rates on cash balances		(24 712)	24 816
Closing cash balance	16	**147 027**	**259 643**

Approved by the Management of the Company and signed on its behalf:

General Director ______________________ Stropus Audrius

Chief Accountant ______________________ Yartseva Tetiana Volodymyrivna

Notes on pages 7-48 are an integral part of these separate financial statements.

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(in thousands of UAH)

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR 2021

	Registered capital	Additional capital	Uncovered loss	Total
Balance as at 01.01.2020	**51 931**	**1 224 560**	**(6 907 909)**	**(5 631 418)**
Net profit for the year and comprehensive profit for the year	-	-	(1 631 198)	**(1 631 198)**
Other changes (Note 18)	-	15 637	1 177	**16 814**
Total changes in equity	**-**	**15 637**	**(1 630 021)**	**(1 614 384)**
Balance as at 31.12.2020	**51 931**	**1 240 197**	**(8 537 930)**	**(7 245 802)**
Net profit for the year and comprehensive profit for the year	-	-	320 141	**320 141**
Other changes (Note 18)	-	756 365	(4)	**756 361**
Total changes in equity	**-**	**756 365**	**320 137**	**1 076 502**
Balance as at 31.12.2021	**51 931**	**1 996 562**	**(8 217 793)**	**(6 169 300)**

Approved by the Management of the Company and signed on its behalf:

General Director ______________________ Stropus Audrius

Chief Accountant ______________________ Yartseva Tetiana Volodymyrivna

Notes on pages 7-48 are an integral part of these separate financial statements.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. INFORMATION ABOUT THE COMPANY

The Company with Foreign Investments AMIC UKRAINE (hereinafter – "The Company") has been established and performs operations on the basis of the Charter registered by the Shevchenkivskyi District State Administration in Kyiv on November 16, 1999, and has one owner as of December 31, 2021:

	2021	2020
AMIC ENERGY MANAGEMENT GmbH (Austria)	100%	100%

The beneficial owners (controllers) of the Company are individuals Mr. Günter Maier, Austria, Mr. Johannes Klezl-Norberg, Austria, Mr. Heinz Sernetz, Austria, and Gillen Philipp Andrew, United Kingdom.

The Company is the legal successor of the property, rights and obligations of FDI "LUKOIL-Ukraine".

Legal and actual address of the Company is 68, Verhniy Val St., Kyiv.

The principal activities of CFI AMIC UKRAINE are sale of oil products on the domestic market of Ukraine:

- Wholesale (gasoline, diesel fuel),
- Retail through its own and leased network of gas stations,
- Sale of jet fuel (refueling of aircraft),
- Sale of related products through the network of gas stations.

The Company purchases oil products by import, as well as in the domestic market of Ukraine.

During 2021, the average number of employees was 2 130 persons (2020: 2 123 persons).

The separate financial statements of the Company for the year ended December 31, 2021 were approved by the Company's management on December 30, 2022.

2. OPERATING ENVIRONMENT IN UKRAINE

The Company operates in Ukraine. By 2020, Ukraine's economy showed signs of recovery and growth after a sharp decline in 2014-2016. However, the spread of the outbreak of the coronavirus disease COVID-19 in early 2020 and the introduction of respective quarantine measures had a negative impact on the global and Ukrainian economy.

The gradual reduction of the quarantine restrictions in 2021, together with the spread of vaccination, contributed to the revitalization of the economic activity of enterprises and increased business expectations, despite the new strains of the coronavirus. In general, GDP growth for 2021 amounted to 3%, which turned out to be below expectations. In addition, the recovery of Ukraine's economy was accompanied by an acceleration of inflation to 10% year on year. The growth of inflation rates was illustrative of the world economy. The hryvnia exchange rate against foreign currencies strengthened somewhat during 2021. To contain inflation, the National Bank of Ukraine raised the discount rate several times, increasing it from 6% to 9% for 2021. In January 2022, the rate was again raised to 10%.

Throughout 2021, Ukraine continues to limit its political and economic ties with russia, considering the annexation of Crimea, an autonomous republic within Ukraine, as well as the ongoing armed conflict in parts of Luhansk and Donetsk regions.

Further recovery of Ukraine's economy depends on the future developments related to the spread of coronavirus, in particular, the introduction of possible restrictive measures, as well as on cooperation with international investors and a coordinated policy of the state authorities on the socio-economic development of the country. An important factor is also the state of the conflict with the russian federation. These factors will have an impact on the Company's performance in future periods. The Company's management monitors the current situation and takes measures to minimize any negative effects to the extent possible.

While preparing these separate financial statements, the known and estimable effects of those factors on the financial position and performance of the Company in the reporting period have been taken into account. Management is unable to predict all developments which could have an impact on the wider economy and what consequences, if any, they could have on the financial position of the Company in

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

future periods. Management believes it is taking all the necessary measures to support the sustainability and development of the Company's business. These separate financial statements do not include any adjustments that might result from such uncertainty. Such adjustments will be reported when they become known and estimable.

At the end of 2021, the conflict between Ukraine and the russian federation (rf) began to escalate. On February 21, 2022, russia recognized the independence of the so-called Donetsk and Luhansk People's Republics and announced the deployment of troops to the territory under their control. On February 24, Russian troops invaded Ukraine from several directions, having previously conducted missile strikes on the territory of Ukraine. Details of this event are disclosed in Note 39 Events after the reporting period.

3. BASIS FOR PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS

Statement of compliance

The separate financial statements of the Company were prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of presentation

The separate financial statements were prepared on the historical cost basis.

Reporting period

The separate financial statements were prepared as at December 31, 2021 and cover the period from January 01 to December 31, 2021. These separate financial statements include comparative information for the period preceding the reporting period.

Functional and presentation currency

The functional currency of the Company is the national currency of Ukraine, Hryvnia (UAH). Transactions in other currencies are treated as foreign currency transactions. The separate financial statements are presented in Ukrainian Hryvnia (“UAH”). All amounts are rounded to the nearest thousand unless otherwise stated.

Preparation of consolidated financial statements

The Company has also prepared consolidated financial statements which include the financial statements of its subsidiaries (the "Group") in accordance with IFRS. Detailed information about subsidiaries is disclosed in Note 10.

Users of the separate financial statements of the Company should read the consolidated financial statements of the Group as at December 31, 2021 and for the year then ended to obtain a proper understanding of the financial position, financial performance, cash flows of the Company and its subsidiaries.

Going concern assumptions of the Company

The separate financial statements were prepared on a going concern basis, which provides for the realization of assets and the settlement of liabilities in the ordinary operating activities.

As at December 31, 2021, the Company has negative equity of UAH 6 169 300 thousand (December 31, 2020: UAH 7 245 802 thousand), and current liabilities are less than its current assets by UAH 739 965 thousand (December 31, 2020: current liabilities exceed its current assets by UAH 884 257 thousand). The Company generated net profit of UAH 320 141 thousand for the year ended December 31, 2021 (net loss for the year ended December 31, 2020 amounted to UAH 1 631 198 thousand). Positive cash flow from operating activities for 2021 amounted to UAH 389 009 thousand (positive cash flow from operating activities for 2020 amounted to UAH 279 494 thousand).

The separate financial statements do not include any adjustments that might result from such uncertainty. Such adjustments will be reported when they become known and estimable.

The russian military invasion of Ukraine, which took place on February 24, 2022 and continues to this day, is a significant event, the effects of which cannot yet be determined on a country-wide scale; however, the Company continues to operate. These events, together with other matters disclosed in Note 39 Events after the reporting period indicate that a material uncertainty exists which may cast significant doubt about the Company's ability to continue as a going concern. Management has considered

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the conditions and circumstances disclosed below in assessing whether the Company will be able to continue as a going concern.

The Company's management monitors the current situation and takes measures to minimize any negative consequences to preserve jobs, ensure continuity of salary payments to employees, and pay all due taxes and levies to the budget.

The Company's own filling stations are located throughout Ukraine, except for the temporarily occupied territory of Donetsk region, the entire Luhansk region and the Autonomous Republic of Crimea. A small number of employees of the Company joined the Armed Forces of Ukraine and territorial defense. Management believes that mobilization will not significantly affect the Company's operations as 59% of employees are women; the share of women among the Company's management (middle and senior management) as of 2021 was 60%.

Based on the current forecasts of the Company's management and consideration of possible scenarios (for more details see Note 39 Events after the reporting period), the Company is expected to continue to demonstrate positive cash flow and earnings generation dynamics over the next 12 months.

In light of the foregoing, these separate financial statements were prepared on a going concern basis, i.e., based on management's assurance that the Company will continue as a going concern for the next 12 months from the date of preparation of these financial statements.

Management of the Company is unable to predict all developments which could have an impact on the economy as a whole and what consequences, if any, they could have on the financial position of the Company in future periods. Management believes it is taking all the necessary measures to support the sustainability and development of the Company's business.

These separate financial statements do not contain any adjustments that may occur due to such uncertainty. Such adjustments will be notified if they become known and estimable.

However, the impact of this situation on the Company in the future cannot be predicted. The Company will continue to closely monitor the potential impact of these events and will take all possible measures to reduce the possible consequences.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Preparation of the separate financial statements requires Management to make estimates and assumptions that affect the amounts presented in the separate financial statements. These assumptions are based on information known at the date of approval of the separate financial statements. Actual results may differ from such estimates. The main estimates for the separate financial statements relate to the assessment of the value and useful life of property, plant and equipment, intangible assets, credit risk assessment.

The following are the main assumptions for future developments and other major sources of inaccuracy of estimates at the reporting date, which carry a significant risk that the carrying amounts of assets and liabilities will be materially adjusted over the next financial year.

The useful life of property, plant and equipment

The Company estimates the remaining useful lives of property, plant and equipment at the end of each financial year (Note 8). The estimate of the useful life of an item of property, plant and equipment depends on Management's judgment based on experience with similar assets. In determining the useful life of an asset, Management considers the conditions of the expected use of the asset, the expected period of obsolescence, physical depreciation and operating conditions in which the asset will be operated. If expectations differ from previous estimates, changes are accounted for as changes in accounting estimates in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Such estimates may have a material effect on the carrying amount of property, plant and equipment and on the amount of depreciation recognized in the statement of comprehensive income.

Impairment of property, plant and equipment and construction in progress

At each reporting date, the Company assesses whether there is any indication that the recoverable amount of property, plant and equipment has decreased below its carrying amount. Non-financial assets are reviewed for impairment whenever there is an indication that the carrying amount of such assets may not be recoverable. In determining the value in use of assets, Management should estimate the

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expected future cash flows or the cash-generating unit and select the appropriate discount rate to determine the present value of those cash flows.

Assessment of expected credit losses

The Company charges provisions for impairment of financial assets based on the probability of default and expected loss ratios. The Company uses professional judgment in making these assumptions and selecting source data to calculate impairment based on the Company's experience, current market conditions and future estimates at the end of each reporting period.

Current taxes

Ukrainian tax, currency and customs legislation is constantly interpreted and changed. In addition, the interpretation of tax legislation by the tax administration, which is applied to the operating activities of the Company, may not coincide with the interpretation of Management. As a result, the tax administration may question the transactions, and the Company may receive additional tax liabilities, penalties and interest that may be material. The customs and tax services have the right to review tax liabilities for the three calendar years preceding the year of the audit. Under certain circumstances, the inspection may cover longer periods. Management believes that as at December 31, 2021, its interpretation of the relevant legislation is appropriate, and it is likely that the tax, currency and customs positions of the Company can be approved. In addition, in 2021, no significant penalties were imposed on the Company by the controlling bodies for non-compliance with the current norms of Ukrainian legislation.

5. Basic accounting policies

Foreign currency translation

Foreign currency transactions are initially recognized in the functional currency at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. All differences are reflected in the statement of comprehensive income. Non-monetary assets and liabilities denominated in other currencies are stated at historical cost at the exchange rate in effect at the date of the original transaction. The hryvnia is not a convertible currency outside Ukraine. In Ukraine, official exchange rates are set daily by the National Bank of Ukraine (NBU). Market rates may differ from the official ones, but within a narrow corridor controlled by the NBU.

Official exchange rates set by the NBU and in which the Company conducts its main transactions:

Official NBU rate	USD	EUR
December 31, 2020	28.274600	34.739600
December 31, 2021	27.278200	30.922600

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Historical cost of PPE includes:

(a) the purchase price, including non-refundable import duties and taxes, net sales and other discounts;

(b) any costs that are directly related to bringing the asset to the location and condition allowing operation in the manner intended by the Company’s management;

(c) the initial estimate of the costs of dismantling and removing an item of property and the restoration of the territory occupied at the site.

Deemed cost is the fair value of the property, plant and equipment, which was determined by a professional appraiser on the date of transition to IFRS.

The value of internally created assets includes the cost of materials, direct labor costs and an appropriate proportion of production overheads.

Capitalized costs include significant costs of upgrading and replacing parts of assets that increase their

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useful lives or improve their ability to generate revenue. Expenses for repairs and maintenance of property, plant and equipment that do not meet the above capitalization criteria are reflected in the statement of comprehensive income for the period in which they were incurred.

Borrowing costs that are directly attributable to the acquisition, construction or creation of property, plant and equipment, provided that their preparation for use or sale takes a long time, are capitalized as part of the value of the relevant property, plant and equipment.

The amount to be depreciated is the historical cost or deemed cost of an item of property, plant and equipment, less its liquidation value. Depreciation of property, plant and equipment is accrued using the straight-line method based on the following expected useful lives of the related assets:

Group	Depreciation period
Land	Not depreciated
Buildings and structures	10-30 years
Machinery and equipment	5-25 years
Vehicles	10 years
Other PPE	3-15 years
Furniture, instruments and fixtures	5 years

An item of property, plant and equipment is derecognized when the asset is disposed of or when no future economic benefits are expected from its use or sale. Gains or losses on write-offs of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the statement of comprehensive income in the year in which the asset is derecognized.

The residual value of property, plant and equipment, useful lives and depreciation methods are reviewed and adjusted as necessary at the end of each financial year.

Construction in progress is stated at cost, less accumulated impairment losses, and includes construction in progress and new equipment to be installed during the completion of construction. Depreciation is not charged until the completion of construction of such assets and their commissioning.

Investment property

Investment property is a property (land or a building, or a part of a building, or both) held by the owner or by the lessee as a right-of-use asset to earn rentals or for capital appreciation or both. An investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner-occupied property. IAS 16 “Property, Plant and Equipment” applies to owner-occupied property.

Initial assessment of investment property is carried out at its cost. Subsequently, investment property is stated at cost less accumulated depreciation and accumulated impairment losses.

When charging depreciation, the straight-line method is used. The depreciation charged is included in administrative and distribution costs depending on the use of the investment property. The useful life of investment property is the same as the useful life of property, plant and equipment and right-of-use assets.

Intangible assets

Intangible assets, acquired separately, are initially recognized at cost. After initial recognition, intangible assets are carried at cost less accumulated depreciation and accumulated impairment losses. When intangible assets are sold or disposed of, their value and accumulated amortization are removed from the financial statements, and the gain or loss resulting from their disposal is recognized in the statement of comprehensive income. Amortization of intangible assets is accrued using the straight-line method over 3-5 years.

The carrying amount of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be fully recoverable.

The Company's intangible assets consist of software and software licenses.

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Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the equity method of accounting. Under this method, investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of subsidiaries.

Where the Company has transactions with a subsidiary, profits and losses resulting from such transactions are recognised only to the extent of the Company's interest in the subsidiary.

After application of the equity method, including the recognition of losses, an entity must assess whether there is any objective evidence that its investment is impaired. If any such indication exists, the carrying amount of the investment is tested for impairment in accordance with IAS 36 “Impairment of Assets”.

Impairment of non-financial assets

At each reporting date, the Company determines whether there is any indication that the asset may be impaired. If any such indication exists, or if annual testing is required, the Company assesses the asset’s estimated recoverable amount. The estimated recoverable amount of the asset is the higher of the fair value of the asset or cash-generating unit less costs to sell or the value in use of the asset. The estimated recoverable amount of the asset is determined for each individual asset if that asset generates cash inflows independently of other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered to have impaired and is written off to the recoverable amount. In determining the value in use, future cash flows are discounted at the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Different valuation techniques are used in determining fair value less costs to sell.

Management recognized separate units of the Company — gas stations and oil depots — as a cash generating unit to assess impairment.

An impairment loss for current activities is recognized in the statement of comprehensive income as part of those expense categories that correspond to the functions of the impaired asset.

At each reporting date, there is an assessment that a previously recognized impairment loss on an asset no longer exists or has impaired. If any such indication exists, the Company estimates the asset's recoverable amount. An impairment loss, recognized in prior periods, is adjusted only if the estimates used to determine the recoverable amount for the asset have changed since the last impairment loss was recognized. In this case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount of an asset shall not exceed the carrying amount (net of depreciation) that would have been received if the impairment loss had not been recognized in prior years. The reversal of an impairment loss is recognized in the statement of comprehensive income.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the sale of an assets or transfer of a liability is made:

- whether on a principal market for such assets or liabilities;
- or when there is no principal market, at the most advantageous market for such assets and liabilities.

The Company should have an access to the principal or the most advantageous market. Fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests. A fair value measurement of a non-financial asset considers a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which data are available, sufficient for measuring fair value.

All assets and liabilities whose fair value is estimated or disclosed in the separate financial statements are classified as described below under the fair value hierarchy based on the lowest level inputs that

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are significant to the fair value measurement in general:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques, in which significant inputs for fair value measurement are inputs relating to lowest level hierarchy observable either directly or indirectly at the market;
- Level 3 – Valuation methods that use unobservable inputs that are relating to the lowest level of the hierarchy are not observable at the market.

When assets and liabilities are recognized in the separate financial statements on a periodic basis, the Company determines the transfer between levels of the hierarchy, re-analyzing the classification (based on the lowest level inputs that are significant for estimating fair value as a whole) at the end of each reporting period.

Financial instruments

Classification of financial assets

During the initial recognition of financial instruments, the Company classifies them and determines the model for further valuation.

Financial assets are classified as follows:

- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income;
- financial assets at fair value through profit or loss.

A financial asset is measured at amortized cost only if it meets both of the following conditions and is not classified as at fair value through profit or loss:

- it is held within the framework of a business model aimed to hold assets for contractual cash flows, and
- its contractual terms provide for the occurrence of cash flows within the set time limits, which represent the payment of exclusively principal and interest (SPPI criterion) for the unpaid part of the principal amount.

The Company evaluates the purpose of the asset holding business model at the level of the financial instruments portfolio as it best reflects the way business is managed and information provided to Management.

In assessing whether the contractual cash flows are exclusively payments of principal and interest on the outstanding part of the principal ("SPPI" criterion), the Company analyzes the contractual terms of a financial instrument, namely whether a financial asset contains a contractual clause that may change the timing or amount of contractual cash flows so that the financial asset will not meet the relative requirement.

In 2020-2021, the Company had no financial assets measured at fair value.

Financial assets are reclassified prospectively only in case of changing the business model within which they are held. Such reclassification is reflected prospectively.

Classification of financial liabilities

Financial liabilities are measured at amortized cost, except for:

1) financial liabilities measured at fair value through profit/loss;

2) financial liabilities resulting when transfer of a financial asset is not in compliance with derecognition criteria or when the continuing involvement principle is applied;

3) financial guarantee contracts, aval, security.

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Initial recognition and subsequent measurement of financial instruments

When the Company recognizes a financial instrument, it classifies it as subsequently measured at amortized cost and measures it, except trade receivables, at its fair value plus or less transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Transaction costs and commission income that are an integral part of the return on a financial instrument are recognized in the financial instrument and accounted for when calculating the effective interest rate for such a financial instrument.

At initial recognition, the Company assesses trade receivables at transaction price, which is the consideration to which the Company expects to be entitled in exchange for the transfer of promised goods or services to the buyer, excluding amounts received on behalf of third parties, if the trade receivable does not contain a significant financing component (when the contract payment dates give the buyer or seller significant benefits from the sale of products).

Impairment

The Company applies the impairment requirements of IFRS 9 to financial assets carried at amortized cost. The Company recognizes an allowance for expected credit losses on a financial asset carried at amortized cost for lease receivables under a contractual asset.

Allowances for expected credit losses are to be recognized in an amount equal to either expected credit losses for 12 months or expected credit losses over the lifetime of the instrument.

The Company applies a simplified approach and recognizes allowances for expected credit losses on receivables, contractual assets and receivables under lease agreements in an amount equal to expected credit losses over the lifetime of the instrument, regardless of whether there is a significant financing component.

The estimation of expected credit losses reflects the difference between contractual cash flows in accordance with the contract terms and all cash flows that the Company expects to receive. Afterwards, the loss is discounted to the original effective interest rate of the asset.

The Company divided financial assets on the basis of general credit risk characteristics such as: type of a financial instrument, credit risk rating, type of debtor or issuer, dates of initial recognition of a financial asset, and applied historical interest on credit losses based on the Company's experience in respect of such losses adjusted for specific factors for debtors and general economic conditions, including projected macroeconomic information.

Derecognition and contract modification

Financial assets are derecognized whenever:

a) the rights to contractual cash flows of the financial asset contract expire;

b) the transfer of a financial asset meets the derecognition criteria;

c) the financial asset is written off against the provision.

The control of the transferred asset is not available if a party to whom the asset is transferred has the real ability to sell it to an unrelated third party and may sell it unilaterally without the need to impose additional restrictions on such transfer. If the control over a financial asset is not retained, such an asset is derecognized; otherwise, if the control over the financial asset is retained, it is recognized to an extent of the continuing involvement therein.

The difference between the carrying amount of a financial asset measured at derecognition date and the amount of consideration received (including the value of the new asset received less the liability amount) is recognized as income or expense from derecognition.

The financial liability or part thereof is derecognized if such liability is settled, canceled or expired. The difference between the carrying amount of repaid or transferred to another party financial liability (or part thereof) and the amount of the consideration paid is income/expense from derecognition.

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Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and a related net amount is recognized in the Statement of financial position when, and only when, the Company has a legally enforceable right to set off and intends to settle on a net basis, or to sell the asset and settle the liability simultaneously. The Company has a legal right to set off, if this right does not depend on a future event and can be exercised in the ordinary course of business and in the event of default, insolvency or bankruptcy of an entity and all counterparties.

Write-off

The gross carrying amount of a financial instrument is written off against the provision charged after it is recognized as bad, the existence of the allowance for expected credit losses, and simultaneous fulfillment of other prerequisites defined by the requirements of the current legislation of Ukraine and the internal regulations of the Company.

Cash and cash equivalents

Cash and cash equivalents include bank accounts, cash on hand, cash in transit, short-term deposits with a contractual maturity of up to three months.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, less unpaid bank overdrafts.

Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of inventories includes the cost of purchasing the goods, amounts of import duties, amounts of excise tax in connection with the purchase of goods, other expenses incurred in bringing the inventories to their present location and condition.

The transportation costs for each type of goods to the first place of storage and bringing to current state are included in the cost.

The Company uses the FIFO method (first in - first out) to estimate the disposal of all stocks.

Net realizable value is based on the estimated selling price in the ordinary course of business, less all expected costs to sell.

Equity

Equity reflects the amount of excess of the Company's assets over its liabilities. It represents the total amount of assets that could potentially be distributed among the founders.

The main components of the Company's capital are:

- Equity,
- Additional capital,
- Retained earnings.

The authorized capital gives the right to a residual share in the Company's assets after deducting all its liabilities. Equity instruments issued by the Company are stated at the amount of receipts received, except for direct costs of issue.

Additional capital includes the amount of the discount on debt on loans from related parties.

Retained earnings are the profits received by the Company from the beginning of business activities less losses, dividends.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the

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obligation. Where all or part of the costs necessary to repay the obligation can be expected to be reimbursed by the other party, the reimbursement is not recognized until they are received.

Where the effect of the value of money over time is significant, the amount of collateral is determined by including projected cash flows using a discount rate that reflects the pre-tax rate and the current market value of money over time, as well as the risks associated with a particular liability. When discounting, an increase in the amount of collateral that reflects the effect of time is recognized as an interest expense.

Contingent assets and liabilities

Contingent liabilities are not recognized in the separate financial statements, but information about them is provided in the Notes, except when the probability of outflow of resources that contain economic benefits is insignificant.

Contingent assets are not recognized in the separate financial statements, but information about them is provided when economic benefits are probable.

Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period in exchange for consideration.

For a contract that is, or contains, a lease, each lease component within the contract is accounted for as a lease separately from non-lease components of the contract, unless the practical expedient described below is used. As a practical expedient, the Company decided, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

Company as a lessee

The Company does not apply the requirements for the recognition and measurement of lease to:

a) short-term lease (for up to 12 months); and

b) leases for which the underlying asset is of little value (the value of the new asset is less than the equivalent of EUR 5 thousand).

The Company recognizes lease payments associated with the lease as straight-line costs over the lease term.

Initial measurement of the right-of-use asset

At the commencement date, the Company measures the right-of-use asset at cost.

The cost of the right-of-use asset shall comprise:

a) the amount of the initial measurement of the lease liability;

b) any lease payments made at or before the commencement date, less any lease incentives received;

c) any initial direct costs incurred by the lessee; and

d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease conditions.

Initial measurement of the lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are unpaid at that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee uses the Company’s incremental borrowing rate.

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The incremental borrowing rate is the interest rate that the Company would have paid to borrow for a similar term and with similar provisioning of funds necessary to obtain an asset at a cost similar to the right-of-use asset in similar economic conditions.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) fixed payments (including in-substance fixed payments), less any lease incentives receivable.

b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable by the lessee under residual value guarantees;

d) the price of the purchase option, if the lessee has reasonable assurance to use it; and

e) payments at the expense of fines for the lease termination, if the lease term reflects the lessor's feasibility to terminate the lease.

Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate (such as LIBOR) or payments that vary to reflect changes in market rental rates.

Subsequent measurement of the right-of-use asset

After the commencement date, the Company measures the right-of-use asset applying a cost model:

a) less any accumulated depreciation and any accumulated impairment losses; and

b) adjusted for any remeasurement of the lease liability.

Depreciation is charged on a straight-line basis applying the requirements of IAS 16 "*Property, Plant and Equipment*". The lessee shall depreciate the right-of-use asset from the lease commencement date to the earlier of the following two dates: the end of the useful life of the asset and the end of the lease.

Subsequent measurement of the lease liability

After the date of commencement of the lease, the Company shall revalue the carrying amount of the liability to reflect any revaluation or modification of the lease, or to reflect revised fixed lease payments.

After the date of commencement of the lease, the Company recognizes in profit or loss, unless these costs are included in the carrying amount of another asset, applying other relevant standards:

a) interest on the lease liability; and

b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

Reassessment of the lease liability

After the commencement date, the Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, then the Company shall recognize any remaining amount of the remeasurement in profit or loss.

A lessee remeasures the lease liability by discounting the revised lease payments using a revised discount rate, if either:

a) there is a change in the lease term. The Company determines the revised lease payments on the basis of the revised lease term; or

b) there is a change in the assessment of an option to purchase the underlying asset. The Company determines the revised lease payments to reflect the change in amounts payable under the purchase option.

Company as a lessor

The Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards of ownership of the underlying asset.

The Company adds the initial direct costs incurred in concluding the operating lease to the carrying amount of the underlying asset and recognizes them as costs over the lease term on the same basis as the lease income.

The Company recognizes lease payments under operating leases as income on a straight-line basis or on any other systematic basis. The Company applies a different systematic basis if such a basis better reflects a model that reduces the benefits of using the underlying asset.

The Company recognizes the costs, including depreciation, incurred in obtaining rental income as an expense.

Revenues

Revenue from contracts with customers

The Company recognizes revenue when (or as) it satisfies performance obligations by transferring the promised product or service (i.e., an asset) to the customer. The asset is transferred when (or as) the customer obtains control of such an asset.

Control over the asset means the ability to control its use and receive virtually all other associated benefits. Control includes the ability to prohibit other business entities from managing the use of the asset and receiving associated benefits. Benefits from the asset are potential cash flows (cash inflows or outflow of cash savings) that can be obtained directly or indirectly.

Sale of goods and services

Revenue from sale of goods and services is recognized when the Company sells the goods or services to the customer.

The Company considers whether there are other promises during the sale that are separate performance obligations for which part of the transaction price must be allocated (such as warranties, loyalty award credits of customers). In determining the price of a sales transaction, the Company considers the effects of a variable cost, the existence of significant financing components, non-cash compensations and consideration payable to the customer (if any).

Variable consideration

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the entity is entitled in exchange for transferring the promised goods or services to a customer.

An amount of consideration can vary because of discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties or other similar items. The promised consideration can also vary if the Company's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. For example, an amount of consideration would be variable if either a product was sold with a right of return or a fixed amount is promised as a performance bonus on achievement of a specified milestone.

The Company includes in the transaction price some or all variable consideration only if it is highly probable that when the uncertainty associated with the variable consideration is basically resolved, there will be no significant reversal of the amount of recognized cumulative income.

Significant financing component

As a practical expedient, the Company needs not adjust the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Adjusting the promised amount of consideration to account for a significant financing component, the Company uses the discount rate that would be applied in a separate financing operation between an entity and its customer at contract inception. This rate will reflect the credit characteristics of a party

ПІІ АМІК Україна
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receiving financing under the contract, as well as any collateral or security provided by the customer or the Company, including contractual assets transferred.

Loyalty program

A loyalty program is an opportunity for a customer to purchase additional goods or services for free or at reduced prices as a result of concluding a certain contract, buying a certain product or buying for a certain amount. In doing so, the buyer pays in advance for goods or services that will be received in the future. Accordingly, the seller recognizes revenue only after the transfer of these additional goods or services or after the expiration of the marketing promotion/offer. According to the Loyalty Program, bonus units (points) are accrued to the buyer for a certain volume of purchases. Bonus units provided under customer loyalty programs should be accounted for as a separate component of the sales transaction that results in them and should be separately identified and reflected in the separate financial statements.

Presentation

A contractual asset is the entity’s right to compensation in exchange for goods or services that the entity has transferred to the customer. If the Company transfers goods and services to a customer before the customer pays the consideration or before the due date, the amount of the contractual asset is recognized in the amount of the consideration received, which is contingent.

Accounts receivable are the Company's right to consideration, which is unconditional (for example, if only time is required for such compensation to be due).

A contractual obligation is an obligation to transfer goods or services to a customer for which the entity has received compensation (or is due) from the customer. If the customer pays compensation before the Company transfers the goods or services to the customer, the contractual obligation is recognized on due date or the date on which payment is due (whichever is earlier). A contractual obligation is recognized as income when the Company meets its contractual obligations.

Interest

Income is recognized when interest is accrued (considering the effective interest method).

Borrowing costs

The Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets as part of the value of the asset. Other borrowing costs are recognized as an expense as incurred.

Employee benefits

The Company makes current contributions to the State Pension Fund. Contributions are calculated as a certain percentage of the total amount of salary established by law. The Company has neither a legal nor a constructive obligation to make further contributions on wages. The liability for contributions arises together with the liability for wages. These contribution costs relate to the same period as the corresponding amount of wages.

The Company recognizes current provision for employee vacation payment in accordance with accruals that are required by law. The source of uncertainty regarding the amount of payments may be further changes in employee salaries at the time of the commencement of vacation, because they affect the amount of future payments. The Company assesses collateral based on the information available as of the date of the financial statements.

Income tax

Current income tax

Current tax assets and liabilities for the current and previous periods are measured at the value expected to be reimbursed by the tax authorities or paid to the tax authorities in accordance with Ukrainian tax law. The tax rates and tax laws, used to calculate this amount, are those that were enacted or substantively enacted at the reporting date. The income tax rate of 18% is used to calculate income tax.

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
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Email: office@amicenergy.com.ua

Deferred income tax

Deferred income tax is determined using the balance sheet liability method applied to all temporary differences existing at the reporting date between the tax bases of assets and liabilities and their carrying amounts for the financial statement purposes. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where a deferred tax liability arises as a result of the initial recognition of goodwill or an asset or liability in a business transaction that is not a business combination and which at the time of the transaction affects neither accounting profit nor taxable profit or loss;
- taxable temporary differences related to investments in subsidiaries and associates if the parent company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the near future.

Deferred tax assets are recognized for all non-taxable temporary differences and unused tax credits and tax losses carried forward if there is a possibility to obtain taxable profit for which a non-taxable temporary difference can be applied, as well as tax credit and unused tax losses, except when:

- a deferred tax asset relating to non-taxable temporary differences arises from the initial recognition of an asset or liability in a business transaction that is not a business combination and which at the time of the transaction affects neither accounting profit nor taxable profit or loss;
- taxable temporary differences related to investments in subsidiaries and associates of the Company, deferred tax assets are recognized only if it is probable that the temporary differences will be reversed in the near future and a taxable profit will be recognized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized previously deferred tax assets are revalued at the reporting date and are recognized when it is probable that future taxable profits will be available against which the deferred tax asset can be utilized.

Deferred tax assets and liabilities are determined at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on the tax rates (and tax laws) in effect at the reporting date. Deferred income tax relating to items of other comprehensive income or those recognized directly in equity is recognized in other comprehensive income or directly in equity, rather than in profit or loss.

Deferred tax assets and deferred tax liabilities are offset when there is a full legal right to credit current tax assets to current tax liabilities if they relate to income taxes charged by the same tax authority to the same entity.

Value added tax

Sales revenue, expenses and assets are recognized net of VAT. The net amount of VAT that can be reimbursed by the tax authorities or paid to the tax authorities is included in receivables or payables in the statement of financial position.

6. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In general, the accounting policies correspond to those applied in the previous reporting year. Some new standards and interpretations became mandatory on or after January 01, 2021. The information on new and revised standards and interpretations that the Company first applied from January 01, 2021 is as follows.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 — Interest Rate Benchmark Reform — Phase 2

The amendments provide a temporary exemption that applies to eliminate the effects on financial statements when the Interbank Offered Rate (IBOR) is replaced by an alternative substantially risk-free interest rate.

The amendments relate to the following:

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
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changes in contractual cash flows — an entity will not have to derecognise or adjust the carrying amount of financial instruments to reflect the changes required by the reform, but instead will have to update the effective interest rate to reflect the change in the benchmark interest rate;

hedge accounting — an entity will not have to discontinue hedge accounting just because it makes the changes required by the reform, as long as the hedge meets the other criteria for hedge accounting; and

disclosures — an entity will have to disclose information about the new risks arising from the reform and how it is managing the transition to alternative benchmark rates.

These amendments did not affect the Company's separate financial statements.

Amendments to IFRS 16 – *Covid-19-Related Rent Concessions,* effective after June 30, 2021

In May 2020, the IASB issued an amendment to IFRS 16 "Leases" — Covid-19-Related Rent Concessions. The amendment provides lessees with an exemption from applying the requirements of IFRS 16 for accounting for lease modifications in case of lease concessions that arise as a direct result of the Covid-19 pandemic. As a practical expedient, a lessee may decide not to analyse whether a lease concession granted by a lessor in connection with the Covid-19 pandemic is a lease modification. A lessee that makes this decision is required to account for any change in lease payments resulting from a lease concession related to the Covid-19 pandemic in the same way as it would have been accounted for under IFRS 16 if it was not a lease modification. The amendment was intended to be applied until June 30, 2021, but due to the impact of the Covid-19 pandemic, on March 31, 2021, the IASB decided to extend the practical expedient to June 30, 2022. The new amendment is effective for annual periods beginning on or after April 01, 2021, with early adoption permitted. This amendment should be applied mandatorily by those entities that decided to apply the previous amendment related to COVID-19-related lease concessions.

This amendment did not affect the Company's separate financial statements.

IFRS and Interpretations not yet effected

The Company did not apply the following IFRS and Interpretations to IFRS and IAS, changes and amendments to them, which were published but did not become effective.

IFRS 17 *Insurance Contracts*

IFRS 17 is a new standard of financial reporting for insurance contracts that addresses the recognition and measurement, presentation and disclosure. IFRS 17 will replace IFRS 4 *Insurance Contracts* issued in 2005.

IFRS 17 is effective for reporting periods beginning on or after January 01, 2023 and requires comparative information. Early application is permitted, provided that an entity also applies IFRS 9 and IFRS 15 on or before the date of first-time adoption of IFRS 17. This standard is not applicable to the Company.

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interest in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but early adoption is permitted prospectively.

Amendments to IAS 1 *Presentation of Financial Statements*

The IASB amended IAS 1 to clarify matters related to the classification of liabilities into current and non-current. The amendments are effective for periods beginning on or after January 01, 2023. The amendments are applied retrospectively, and early adoption is permitted. The amendments may affect the classification of liabilities in the Company's statement of financial position.

Amendments to *IFRS 3 Business Combinations — Reference to the Conceptual Framework*

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

In May 2020, the IASB issued amendments to IFRS 3, that are intended to replace the reference to the *Framework for the Preparation and Presentation of Financial Statements,* issued in 1989, with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. These amendments are effective for annual reporting periods beginning on or after January 01, 2022 and applied prospectively.

Amendments to IAS 16 — *Property, Plant and Equipment — Proceeds before Intended Use*

In May 2020, the IASB issued amendments to IAS 16 that prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. These amendments are effective for annual reporting periods beginning on or after January 01, 2022 and should be applied prospectively. It is expected that these amendments will have no material impact on the Company's separate financial statements.

Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets — Onerous Contracts — Cost of Fulfilling a Contract*

In May 2020, the IASB issued amendments to IAS 37 that clarify which costs an entity should consider when assessing whether a contract is onerous or loss-making. The amendments provide for the application of "costs directly attributable to the contract" approach. Costs, directly attributable to a contract to provide goods or services, include both incremental costs of performing that contract and allocated costs that are directly attributable to performing the contract. General and administrative expenses are not directly related to the contract and, therefore, are excluded unless they are clearly reimbursable by the counterparty to the contract. These amendments are effective for annual reporting periods beginning on or after January 01, 2022. It is expected that these amendments will have no material impact on the Company's separate financial statements.

Amendments to IAS 8 — *Definition of accounting estimates*

In February 2021, the IASB issued amendments to IAS 8 that introduce a definition of “accounting estimates”. The amendments clarify the difference between changes in accounting estimates and changes in accounting policies and corrections of errors. In addition, the document explains how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual periods beginning on or after January 01, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Early application is permitted provided that disclosure of this fact is made. These amendments are not expected to have any impact on the Company's separate financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 — *Disclosure of Accounting Policies*

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 — “Making Materiality Judgements”, which provide guidance and examples to help companies apply materiality judgements when disclosing accounting policies. The amendments are intended to help companies provide useful accounting policy disclosures by replacing the requirement for companies to disclose “significant accounting policies” with a requirement to disclose “material accounting policies” and by adding guidance on how companies should apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are effective for annual periods beginning on or after January 01, 2023, with earlier application permitted. These amendments are not expected to have a material impact on the Company's separate financial statements.

Deferred tax related to assets and liabilities arising from a single transaction — amendments to IAS 12

The amendments clarify that the initial recognition exemption does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences (e.g., leases, decommissioning obligations). The amendments to IAS 1 are effective for annual periods beginning on or after January 01, 2023, with earlier application permitted. These amendments are not expected to have a material impact on the Company's separate financial statements.

Annual IFRS Improvements (2018-2020 period):

Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards — Subsidiary as a First-time Adopter*.

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
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Email: office@amicenergy.com.ua

Under this amendment, a subsidiary that decides to apply paragraph D16 (a) of IFRS 1 is permitted to measure the cumulative translation differences using the amounts reported by the parent in the financial statements based on the parent's date of transition to IFRSs. This amendment may also be applied by associates and joint ventures deciding to apply paragraph D16 (a) of IFRS 1. This amendment is effective for annual reporting periods beginning on or after January 01, 2022, early adoption is permitted. This amendment will have no impact on the Company's separate financial statements.

Amendment to IFRS 9 *Financial Instruments* - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

The amendment clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the initial financial liability. Such fees include only those fees paid or received between a lender and a borrower, and fees paid or received by a lender or borrower on the other's behalf. An entity must apply the amendment to financial liabilities modified or replaced on or after the beginning of the annual reporting period in which the entity first applies the amendment. This amendment is effective for annual reporting periods beginning on or after January 01, 2022, early adoption is permitted. It is expected that this amendment will have no material impact on the Company's separate financial statements.

Amendment to IAS 41 *Agriculture — Taxation in Fair Value Measurements*

The amendment excludes the requirement in paragraph 22 of IAS 41 that entities do not include tax-related cash flows when measuring the fair value of assets within the scope of IAS 41. The entity has to apply the amendment prospectively in fair value measurements as of the beginning of (or after) the first annual reporting period beginning on January 01, 2022, early adoption is permitted. This amendment will have no impact on the Company's separate financial statements.

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

(in thousands of UAH)

7. Intangible assets

Intangible assets of the Company consist of software. The carrying amount of intangible assets for the year ended December 31, 2021 has changed as follows:

Initial cost:	
As at December 31, 2019	**9 135**
Additions	40
Disposals	-
As at December 31, 2020	**9 175**
Additions	4 481
Disposals	-
As at December 31, 2021	**13 656**
Accumulated depreciation and impairment	
As at January 01 2020	**(6 863)**
Depreciation charges	(1 412)
Disposals	-
As at December 31, 2020	**(8 275)**
Depreciation charges	(851)
Disposals	-
As at December 31, 2021	**(9 126)**
Residual value:	
As at January 01 2020	**2 272**
As at December 31, 2020	**900**
As at December 31, 2021	**4 530**

8. Property, plant and equipment

Property, plant and equipment consisted of the following:

	December 31, 2021	December 31, 2020
Residual value of property, plant and equipment	1 641 346	1 602 223
Construction in progress	13 924	11 956
	1 655 270	**1 614 179**

Changes in property, plant and equipment for the year ended December 31, 2021 and December 31, 2020 were as follows:

	Land	Buildings, facilities	Machines and equipment	Vehicles	Other	Construction in progress	Total
Cost:							
As at December 31, 2019	**352 521**	**1 161 438**	**309 176**	**7 742**	**29 100**	**8 784**	**1 868 761**
Additions	-	126 400	55 350	2 337	15 021	3 172	**202 280**
Disposals	-	(804)	(2 533)	(1 247)	(364)		**(4 948)**
As at December 31, 2020	**352 521**	**1 287 034**	**361 993**	**8 832**	**43 757**	**11 956**	**2 066 093**
Additions	-	129 207	62 882	2 014	16 222	1 968	**212 293**
Disposals	-	(309)	(3 308)	(1 415)	(323)		**(5 355)**
As at December 31, 2021	**352 521**	**1 415 932**	**421 567**	**9 431**	**59 656**	**13 924**	**2 273 031**
Accumulated depreciation and impairment							
As at December 31, 2019	-	**(187 053)**	**(99 266)**	**(4 351)**	**(5 987)**	-	**(296 657)**
Accruals	-	(103 513)	(48 318)	(746)	(7 119)	-	**(159 696)**
Transfers	-	-	3	-	3		**6**
Disposals	-	625	2 340	1 247	221	-	**4 433**
As at December 31, 2020	**-**	**(289 941)**	**(145 241)**	**(3 850)**	**(12 882)**	-	**(451 914)**
Additions	-	(110 174)	(50 275)	(953)	(9 325)	-	**(170 727)**
Disposals	-	219	3 054	1 415	192	-	**4 880**
As at December 31, 2021	**-**	**(399 896)**	**(192 462)**	**(3 388)**	**(22 015)**	-	**(617 761)**
Residual value:							
As at December 31, 2019	**352 521**	**974 385**	**209 910**	**3 391**	**23 113**	**8 784**	**1 572 104**
As at December 31, 2020	**352 521**	**997 093**	**216 752**	**4 982**	**30 875**	**11 956**	**1 614 179**
As at December 31, 2021	**352 521**	**1 016 036**	**229 105**	**6 043**	**37 641**	**13 924**	**1 655 270**

The item “Property, plant and equipment” includes fully depreciated property, plant and equipment that remain in operation. The initial cost of such property, plant and equipment as of December 31, 2021 is amounted to UAH 95 917 thousand, as of December 31, 2020 — UAH 68 423 thousand.

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
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9. Investment property

The Company subleases part of the office space, which it leases and accounts for in accordance with IFRS 16 “Leases”. According to the office space plan, the Company independently operates 50% of the area, and subleases 50% of the area to several subtenants. The right-of-use assets of this part of the office space are reflected as investment property.

The carrying amount of the investment property for the year ended December 31, 2021 and December 31, 2020 has changed as follows:

	Right-of-use assets	Total
Cost:		
As at December 31, 2019	**22 386**	**22 386**
Additions		
Disposals	-	-
As at December 31, 2020	**22 386**	**22 386**
Additions		
Disposals	-	-
As at December 31, 2021	**22 386**	**22 386**
Accumulated depreciation and impairment		
As at December 31, 2019	**(7 462)**	**(7 462)**
Depreciation charges	(3 731)	(3 731)
Disposals	-	-
As at December 31, 2020	**(11 193)**	**(11 193)**
Depreciation charges	(3 731)	(3 731)
Disposals	-	-
As at December 31, 2021	**(14 924)**	**(14 924)**
Residual value:		
As at December 31, 2019	**14 924**	**14 924**
As at December 31, 2020	**11 193**	**11 193**
As at December 31, 2021	**7 462**	**7 462**

Investment property rental income is included in other operating income. Information on income and expenses related to investment property is presented as follows:

	2021	**2020**
Rental income	12 894	12 970
Direct expenses recognized due to maintenance of investment property that generates rental income during the reporting year	3 731	3 731

10. Long-term financial investments

The Company has investments in the authorized capitals of companies resident in Ukraine.

The Company owns 99.9% of the registered capital of Amic Avia Oil LLC and the Company owns 99.9% of the registered capital of Amic Aviation Ukraine LLC.

The carrying amounts of these investments are disclosed below:

	December 31, 2021	**December 31, 2020**
Amic Avia Oil LLC	4 342	7 250

During 2021:

- in respect of the investment in Amic Avia Oil LLC, a loss was recognized under the equity method of financial investments in the amount of UAH 2 908 thousand.
- in respect of the investment in Amic Aviation Ukraine LLC, neither equity income nor impairment losses on financial investments were recognized, as the carrying amount of the investment as at 01.01.2021 is zero.

During 2020:

- in respect of the investment in Amic Avia Oil LLC, equity income in the amount of UAH 207 thousand and impairment losses on financial investments in the amount of UAH 5 762 thousand were recognized.

ПІІ АМІК Україна
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- in respect of the investment in Amic Aviation Ukraine LLC, neither equity income nor impairment losses on financial investments were recognized, as the carrying amount of the investment as at 01.01.2020 is zero.

On September 14, 2021, the general meeting of participants of Amic Avia Oil LLC decided to terminate this Company by reorganization and merger with and into AMIC UKRAINE FDI. Participants of the meeting also appointed the chairman and members of the reorganization commission of Amic Avia Oil LLC, the place of work of the reorganization commission and the procedure and deadline for lenders to submit their claims.

On December 15, 2021, the general meeting of participants of Amik Aviation Ukraine LLC decided to terminate this company by reorganization and accession to FDI AMIK UKRAINE. Participants of the meeting also appointed the chairman and members of the reorganization commission of Amic Aviation Ukraine LLC, the place of work of the reorganization commission and the procedure and deadline for lenders to submit their claims.

11. RIGHT-OF-USE ASSETS

As of December 31, 2021 and December 31, 2020:

- Right-of-use assets were recognized and presented separately in the statement of financial position;
- Additional lease liabilities were recognized, which were included in "Other long-term liabilities" and "Current accounts payable for long-term liabilities".

In its economic activity, the Company acts as a lessee of 1 gas station, office premise, gas station area, including long-term lease agreements. In accordance with IFRS 16 "Leases", the Company calculates and recognizes right-of-use assets, and lease liabilities (Note 20).

Information on changes in right-of-use assets for the year ended December 31, 2021 is as follows.

	Land	Buildings, facilities	Vehicles	Total
Initial cost:				
As at December 31, 2019	**502**	**22 505**	**309**	**23 316**
Additions	-	-	-	-
Disposals	-	-	(309)	(309)
As at December 31, 2020	**502**	**22 505**	**-**	**23 007**
Additions	638	188	-	826
Disposals	-	-	-	-
As at December 31, 2021	**1 140**	**22 693**	**-**	**23 833**
Accumulated depreciation				
As at December 31, 2019	**(334)**	**(7 522)**	**(161)**	**(8 017)**
Depreciation charges	(168)	(3 760)	(148)	**(4 076)**
Disposals	-	-	309	**309**
As at December 31, 2020	**(502)**	**(11 282)**	**-**	**(11 784)**
Depreciation charges	(195)	(3 761)	-	**(3 956)**
Disposals	-	-	-	**-**
As at December 31, 2021	**(697)**	**(15 043)**	**-**	**(15 740)**
Residual value:				
As at December 31, 2019	**168**	**14 983**	**148**	**15 299**
As at December 31, 2020	**-**	**11 223**	**-**	**11 223**
As at December 31, 2021	**443**	**7 650**	**-**	**8 093**

Expenses under lease agreements for 2021 are as follows:

	2021	2020
Interest expense, included in financial expenses	3 096	4 076
Accrued depreciation for the year	3 956	4 076
Short-term lease costs	7 421	5 593
Cost of low-cost lease	9 492	8 667
Variable lease payments recognized as expense	30 394	25 591

Information on lease liabilities is disclosed in Note 20.

The Company has applied the approach, described below, for leases of state and communal land.

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

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The Company scrutinized the agreements and concluded on the following. The rent is set as a percentage of the normative monetary valuation of the land plot (NMVL). The amount of rent for state-owned land plots is calculated considering their purpose, indexation coefficients and inflation indices defined by law. The range of applicable rates is determined by the Tax Code of Ukraine. Local authorities can choose any rate from the permitted range at their own discretion. The rate chosen for the calculation of rents is fixed in the relevant agreement with local authorities and can be changed not only due to market factors. NMVL may not always be the market value of land.

NMVL is subject to periodic revaluations by the state institutions. However, their data do not always correspond to market indicators, as, according to the law, the minimum renewal period for NMVL is 7-10 years for non-agricultural lands. In practice, the state institutions may not update NMVL for several years, even in conditions of significant fluctuations in the land market.

NMVL is calculated using the norms of rental income, capitalization and profitability ratios set by the state institutions in the relevant methodologies. The frequency and significance of changes in these methodologies remain at the discretion of the government bodies and may not always reflect real fluctuations in the land market.

Factoring in the aforesaid, land lease payments may rather be a mechanism by which state bodies achieve their goals in the budget, socio-economic status and regional development. Usually, it is the state bodies that have the power to change the amount of rent payments. Moreover, cadastral data may not be updated often enough, data from state bodies may not be in line with market indicators, and even if NMVL approaches the real market value of the land, the percentage of rent applied to NMVL may not always correspond with market ones. Accordingly, it is seen that such lease payments should be considered as variable payments that do not depend on an index or a rate, i.e., do not reflect changes in market rental rates.

As such, land lease payments are not variable depending on an index/a rate within the requirements of IFRS 16 “Leases”, under the legislation of Ukraine; therefore, such payment is subject to exclusion from the calculation of lease liabilities. A lease liability and/or a right-of-use asset are not recognized, but the Company recognizes related contractual payments as part of operating expenses for the period to which they relate, according to the classification provided for in the Company's accounting policies.

12. Inventories

Information on the carrying amount of inventories is provided below:

	December 31, 2021	December 31, 2020
Goods in stock	685 476	447 518
Including		
Petroleum products at oil depots and storage warehouses	*347 664*	*185 096*
Petroleum products at the gas station	*252 767*	*188 444*
Non-fuel products in gas station stores	*85 045*	*73 978*
Production inventories	8 418	5 625
	693 894	**453 143**

In 2021, shortages of oil products in the amount of UAH 10 946 thousand and related goods in the amount of UAH 8 742 thousand were written off (2020: UAH 5 967 thousand of oil products and UAH 6 723 thousand of related products).

13. Accounts receivable for goods, works, services and other receivables

Information on the carrying amount of receivables for goods, works, services and other receivables is as follows:

	December 31, 2021	December 31, 2020
Receivables for goods, works and services, including	87 797	50 193
Receivables for goods, works and services	*87 995*	*50 350*
Expected credit losses on receivables for goods, works and services	*(198)*	*(157)*
Other current receivables, including	9 360	6 629
Other current receivables	*14 110*	*11 379*
Expected credit losses on other receivables	*(4 750)*	*(4 750)*
Total receivables for goods, works, services and other receivables	**97 157**	**56 822**

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

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Receivables for goods, works and services by maturity dates as of December 31, 2021, December 31, 2020 are as follows:

	December 31, 2021			
	Total cost	Expected credit losses	Total	Expected credit loss ratio
Not overdue	79 394	-	79 394	-
Deferred payment up to 30 days	8 340	-	8 340	-
Deferred payment up to 31-180 days	30	-	30	-
Delayed payment up to 181-360 days	74	(41)	33	0.55
Delayed payment for more than 1 year	157	(157)	-	1
TOTAL	**87 995**	**(198)**	**87 797**	**0.0023**

	December 31, 2020			
	Total cost	Expected credit losses	Total	Expected credit loss ratio
Not overdue	47 398	-	47 398	-
Deferred payment up to 30 days	1 831	-	1 831	-
Deferred payment up to 31-180 days	407	-	407	-
Delayed payment up to 181-360 days	332	(157)	175	0.47
Delayed payment for more than 1 year	382	-	382	-
TOTAL	**50 350**	**(157)**	**50 193**	**0.0031**

Changes of the allowance for expected credit losses on accounts receivable are stated as follows:

	Accounts receivable for goods, works, services	Other accounts receivable	Total
As at December 31, 2019	**-**	4 750	**4 750**
Loss from impairment of receivables	157	-	157
Receivables written off against the allowance	-	-	-
As at December 31, 2020	**157**	4 750	**4 907**
Loss from impairment of receivables	41	-	41
Receivables written off against the allowance	-	-	-
As at December 31, 2021	**198**	4 750	**4 948**

14. Accounts receivable on advances made

	December 31, 2021	December 31, 2020
Receivables on advances made for:		
Petroleum products	122 949	239 749
Services for purchase of petroleum products	10 335	23 969
Other	26 080	21 201
	159 364	**284 919**

15. Receivables from budget

	December 31, 2021	December 31, 2020
Receivables from budget:		
VAT	32 675	-
Income tax	304	304
	32 979	**304**

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

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16. Cash and cash equivalents

As at December 31, 2021 and December 31, 2020, cash and cash equivalents included:

	December 31, 2021	December 31, 2020
Cash on hand	7 675	5 511
Cash in bank	113 003	233 732
Cash in transit	26 349	20 400
	147 027	**259 643**

Cash in transit is the collected revenue of the filling station, which is not credited to the current account of the Company on the same day.

Currencies of cash and cash equivalents are stated below:

	December 31, 2021	December 31, 2020
UAH	115 556	41 298
USD	10 710	207 343
EUR	20 761	11 002
	147 027	**259 643**

17. Other current assets

Information on the carrying value of other current assets is given below:

	December 31, 2021	December 31, 2020
VAT paid at customs – tax credit for the next period	664	466

18. Capital

Authorized capital

As at December 31, 2021 and December 31, 2020, the registered authorized capital of the Company amounted to UAH 51 931 thousand. The authorized capital is paid in full.

Information on the distribution of shares in the authorized capital is given below

Participant	December 31, 2021		December 31, 2020	
	%	Amount	%	Amount
AMIC ENERGY MANAGEMENT Gmbh	100,00%	51 931	100,00%	51 931

The Company neither accrued nor paid dividends in 2021 and 2020.

Additional capital

The Company has additional capital formed by recognizing loans from the company of AMIC ENERGY MANAGEMENT GmbH at fair value at the recognition date, subject to subsequent modifications to the terms of the agreement. The amount of additional capital so recognized as at December 31, 2021 is UAH 1 996 562 thousand (as at December 31, 2020: UAH 1 240 197 thousand). On May 18, 2021, an additional loan agreement was signed 11/18 dated 21.11.2011, in which the debt repayment in the amount of USD 101 300 thousand was postponed to 31.05.2025 and interest accrued and paid was forgiven. In this regard, a discount in the amount of UAH 45 529 thousand was accrued.

On May 11, 2021, an additional agreement was signed under the loan 12/1 dated 19.01.2012, according to which the debt repayment schedule was changed and accrued and unpaid interest was forgiven. In this regard, a discount in the amount of UAH 720 800 thousand was accrued.

During October-December 2021, the loan 15/1 was repaid ahead of schedule and the balance of discount in the amount of UAH 9 964 thousand was written off.

Accumulated loss

The amount of uncovered loss as at December 31, 2021 is UAH 8 217 793 thousand (as at December 31, 2020: UAH 8 537 930 thousand).

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Верхній Вал 68, Київ 04071, Україна
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Decisions on the directions and procedure for the use of the Company's profit are made by the owner based on the results of the reporting year. Accumulated loss presented herein includes the results of adjustments in accordance with IFRS at the date of first-time adoption.

19. Interest-bearing loans and borrowings

As at December 31, 2021 interest-bearing loans and borrowings included:

	Currency	Rate 2020/2021	Maturity date	December 31, 2021	December 31, 2020
Long-term					
Fixed interest rate					
AMIC Energy Management GmbH	USD	1,80%/0%	20.12.2024	6 529 334	6 767 833
AMIC Energy Management GmbH	USD	1,80%/0%	31.05.2022	2 763 282	2 864 217
AMIC Energy Management GmbH	USD	1,80%/1,8%	30.11.2023	-	227 893
Less: current part of long-term interest loans and borrowings	USD		20.12.2024	-	(1 583 378)
Accrued discount	USD			(802 694)	(372 442)
				8 489 922	**7 904 123**
Current					
Current part of interest loans	USD	1,80%	20.12.2024	-	1 583 378
Accrued interest on loans and borrowings	USD			7 586	180 437
Accrued discount	USD			-	(126 763)
				7 586	**1 637 052**
Total liabilities on interest-being loans and borrowings				**8 497 508**	**9 541 175**

An additional agreement to the agreement 12/1 dated 19.01.2012 was signed on 11.05.2021 with AMIC Energy Management GmbH, in which a new loan repayment schedule was approved and an agreement was reached on forgiveness of accrued and unpaid interest in the amount of USD 4 380 304,15 equivalent of UAH 121 615 thousand for 2020. The forgiveness was recorded in the financial statements as other income of the Company. Due to the change in the interest rate under the loan agreement, gains from modification of debt on loans were recognized directly in equity in 2021 in the amount of UAH 720 800 thousand; 2020 in the amount of UAH 15 637 thousand.

An additional agreement to the agreement 11/18 dated 21.11.2011 was signed on 11.05.2021 with AMIC Energy Management GmbH on forgiveness of interest payment obligation in the amount of USD 1 853 790 equivalent to UAH 51 469 thousand for 2020. The forgiveness was recorded in the financial statements within other income of the Company. Due to the change in the interest rate under the loan agreements from 01.01.2020, gains from modification of debt on loans and accrued interest were recognized directly in equity in 2021 in the amount of UAH 45 529 thousand.

20. Lease liabilities

Lease liabilities are discounted cash flows under long-term leases. The Company has lease liabilities to legal entities in respect of leases for 1 gas station, office premise, gas station area.

	December 31, 2021	December 31, 2020
Lease liabilities	19 751	26 918
Less short-term lease liabilities	(9 160)	(7 811)
Long-term lease liabilities	**10 591**	**19 107**

In 2021, interest accrued on liabilities under lease agreements in the amount of UAH 3 096 thousand (2020: UAH 4 076 thousand) was recognized as a financial expense in the statement of comprehensive income (Note 32). Information on the maturities of contractual lease liabilities is disclosed in Note 37.

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

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21. Trade payables

Current trade payables for goods, works, services as at December 31, consist of:

	December 31, 2021	December 31, 2020
Settlements with domestic suppliers	88 056	70 738
Settlements with foreign suppliers	105 317	29 198
	193 373	**99 936**

Terms of purchase of goods and services and payment for purchases did not change significantly during 2020-2021. Trade payables are interest-free and are usually repaid within 30 days.

22. Current accounts payable

Other current accounts payable for goods, works and services as at December 31, 2021 consist of consist of debt:

	December 31, 2021	December 31, 2020
Accounts payable on settlements with budget, including	8 706	9 449
Excise tax	2 007	1 707
Individual income tax	2 875	2 548
VAT	-	1 722
Other taxes	3 824	3 472
Accounts payable from insurance	3 747	3 196
Accounts payable from remuneration of labor	16 313	12 949
Accounts payable on advances received	102 178	84 884
	130 944	**110 478**

The item "Accounts payable on advances received" reflects liabilities on contracts with customers; the amount of such liabilities as of December 31, 2021 is UAH 102 178 thousand (as of December 31, 2020 – UAH 84 844 thousand). The Company's liabilities under contracts with customers are short-term; as such, all advances received on January 01, 2021 and January 01, 2020, were reflected in 2021 and 2020 revenue.

23. Current provisions

Current provisions as at December 31, 2021 consist of the following:

	December 31, 2021	December 31, 2020
Current provisions for vacation pay	31 970	30 870
Current provisions for annual premium	14 990	19 822
Current provisions for retirement benefits	603	3 326
Current provisions for staff redundancies	-	457
Current provisions for litigation	1 881	2 460
	49 444	**56 935**

24. Other current liabilities

Other current liabilities as at December 31 consist of:

	December 31, 2021	December 31, 2020
Short-term loans	-	-
Interest payable	7 586	180 437
Other	613	450
	8 199	**180 887**

Additional information about the loans received is in the Note 19.

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

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25. Changes in liabilities arising from financing activities

The following is information on monetary and non-monetary changes in liabilities arising from financial activities.

	Liabilities for short-term interest loans and borrowings	Liabilities for long-term interest loans and borrowings	Long-term part of obligations under lease agreements	Current part of long-term lease obligations	Total financial liabilities
December 31, 2019	**186 753**	**7 462 377**	**26 907**	**7 172**	**7 683 209**
Cash flows:					
additions	-	-	-	-	-
repayment	-	-	-	(11 056)	**(11 056)**
Payment of interest	-	-	-	-	
Non-cash transactions:					
Reclassification	(231 378)	231 378	(7 800)	7 800	-
Change in exchange rates	36 538	1 460 923	-	-	**1 497 461**
Accrued interest	3 320	170 517	-	4 076	**177 913**
Debt forgiveness	-	-	-	(181)	**(181)**
Accrual of discount	-	(15 637)	-	-	**(15 637)**
Write off of discount	-	-	-	-	-
Discount amortization	4 767	231 617	-	-	**236 384**
Return	-	-	-	-	-
December 31, 2020	**-**	**9 541 175**	**19 107**	**7 811**	**9 568 093**
Cash flows:					
additions	-	-	-	-	-
repayment	-	(216 450)	-	(11 089)	**(227 539)**
Payment of interest	-	-	-	-	-
Non-cash transactions:					
Non-cash transactions:			826		**826**
Reclassification	-	-	(9 341)	9 341	-
Change in exchange rates	-	(323 039)	-	-	**(323 039)**
Accrued interest	-	3 565	-	3 096	**6 661**
Debt forgiveness	-	(173 084)	-	-	**(173 084)**
Accrual of discount	-	(766 329)	-	-	**(766 329)**
Write off of discount	-	9 965	-	-	**9 965**
Discount amortization	-	421 705	-	-	**421 705**
December 31, 2021	**-**	**8 497 508**	**10 592**	**9 159**	**8 517 259**

26. Deferred income

In May 2021, the loyalty program for petroleum products, which had been in effect since December 2018, was changed. From the beginning of the program and until May 2021, deferred income was recognized and recorded by the management in the reporting.

Deferred income included a provision charged under the "My AMIC" loyalty program. The loyalty program "My AMIC" operated in all gas stations of the "AMIC Energy" network throughout Ukraine, except for the temporarily occupied territories of Donetsk and Luhansk regions, Autonomous Republic of Crimea, and several gas stations, listed in the conditions of the "My AMIC" loyalty program. With the help of the "My AMIC" loyalty card, discounts on fuel were provided.

To obtain a loyalty card and the status of a Participant of the loyalty program (hereinafter - "Participant"), it was enough to fill up with 10 liters and purchase a loyalty card for UAH 0.01 or acquire it for UAH 15.00 without any purchase.

According to the old program, liters were accumulated during each calendar month. The Participant accumulated liters filled in total during the month on the individual account of the Participant of the "My AMIC" Loyalty Program, regardless of their amount in each separate receipt.

The Participant had the opportunity to increase his/her individual discount by accumulating filled liters. There were 3 levels for the Participant with the corresponding threshold of accumulation of liters and the size of the discount.

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

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Fuel discount is provided under the following scale:

Accumulated liters for current month	Gasoline / Diesel fuel	Liquefied gas
	UAH/l	UAH/l
from 0 to 29,99 l	1,50	0,10
from 30 to 59,99 l	2,00	0,30
from 60 l	3,00	0,50

At the end of each calendar month, the system automatically checks the liters accumulated by the participant. The amount of the discount is fixed for the entire next calendar month.

Accumulated liters are reset to zero. From the 1st of the next calendar month, the accumulation of liters begins with 0.

Starting from June 2021, deferred income was derecognized and the previously charged provision was recognized in income. The Company started to provide instant discounts on current purchase, which do not require any provision.

	Fuel discounts	Total
Provision for loyalty as at December 31, 2019	**26 910**	**26 910**
Charged for 2020	-	-
Used	(18)	(18)
Written off provision due to changes in conditions	-	-
Provision for loyalty as at December 31, 2020	**26 892**	**26 892**
Charged for 2021	-	-
Used	(288)	(288)
Written off provision due to changes in conditions	(26 604)	(26 604)
Provision for loyalty as at December 31, 2021	**-**	**-**

27. Sales revenue

Sales revenue for the year ended December 31 included the following:

	2021	2020
Sale of goods	11 039 672	7 333 864
Loyalty program	26 892	(18)
Services provided	43 258	33 022
	11 109 822	**7 366 868**

Revenues from sales of goods can be represented as follows:

	2021	2020
Retail sale of petroleum products	8 581 055	5 602 966
Wholesale of aviation fuel and petroleum products	1 671 352	1 083 025
Retail sale of non-combustible goods	787 265	647 855
	11 039 672	**7 333 846**

The Company sells petroleum products as follows:

- retail for cash and non-cash account (bank cards, permit forms, Amic cards, cards of other issuers);
- big batch (railway tanks);
- small batch (tank trucks) from their own oil depots and warehouses.

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
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Email: office@amicenergy.com.ua

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The Company sells aviation fuel to Ukrainian and international airlines, has a certificate of conformity of the State Aviation Service of Ukraine, according to which it provides services for aircraft fueling of airlines at the International Airport "Odessa".

The Company received a certificate of compliance of the State Aviation Service of Ukraine on October 23, 2020 and since November 01, 2020 has started to provide aircraft fuelling and aircraft fuelling services for airlines at the International Airport "Kharkov".

On December 03, 2020, the Company received the State Aviation Service of Ukraine Certificate of Conformity and since December 15, 2020 it has started providing aircraft fuelling and aircraft fuelling services for airlines at the International Airport “Boryspil”. Besides the Company sells aviation fuel in the airports IA Kiev, IA Lvov, IA Kherson, IA Chernivtsi, IA Vinnitsa, IA Mykolayiv, where it buys refueling services from other companies of aviation fuel supplying subjects. Aviation fuel is sold both on prepayment and deferred payment terms.

Non-fuel products (food, non-food group and cafe group) are sold in retail in stores at gas stations.

28. Cost of sales

Cost of sales for the year ended December 31 included:

	2021	2020
Retail sale of petroleum products	7 489 922	4 558 807
Wholesale of petroleum products and aviation fuel	1 564 513	1 000 464
Retail sale of non-fuel goods	569 254	479 692
	9 623 689	**6 038 963**

The item includes the cost related to the purchase of goods, import duty, excise duty due to the purchase of stocks, costs of transportation to the first place of storage.

29. Administrative expenses

Administrative expenses for the year ended 31 December, included:

	2021	2020
Wages and payroll	74 037	72 087
Provision	15 674	21 538
Depreciation charges	8 644	8 815
Audit and other professional services	8 682	6 497
IT services	7 975	5 471
Expenses under short-term and low-value lease agreements	4 240	4 290
Management costs	3 502	3 655
Other expenses	3 186	2 632
Utilities	3 590	2 527
Travel expenses	2 128	1 478
Banking services	407	390
Representation costs	250	255
	132 315	**129 635**

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

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30. Distribution costs

Distribution costs for the year ended December 31, included:

	2021	2020
Wages and payroll	383 767	340 137
Amortization	170 621	160 101
Transportation costs	146 955	106 399
Utilities	70 138	48 659
Fuel and materials	42 332	48 076
Taxes and duties	47 889	42 264
Technical servicing	56 121	41 968
Banking services	47 579	34 705
Provision	26 808	28 928
Aircraft refueling	19 306	21 810
IT services	13 666	15 293
Advertising	15 344	11 564
Security	11 928	11 476
Other expenses	16 034	11 249
Storage costs	9 196	11 130
Expenses under short-term and low-value lease agreements	12 673	9 970
Consulting and other services	4 556	7 177
Airport infrastructure services	3 718	2 804
Brand, licenses	10 670	1 498
Travel expenses	1 758	1 101
	1 111 059	**956 309**

31. Other operating income and expenses

Other operating income and expenses for the year ended December 31, included:

	2021	2020
Other operating income		
Result from debts written off	141	2 879
Result from change of exchange rates	-	12 237
Rental income	20 762	19 990
Result from sale of property, plant and equipment	1 744	814
Other operating income	1 862	378
	24 509	**36 298**
Other operating expenses		
Result from change of exchange rates	23 618	-
Inventories written off	19 688	12 690
Other operating expenses	4 789	3 805
Fines and penalties	231	810
Result from sale of currency	511	2 191
	48 837	**19 496**

32. Other financial income and expenses

Financial income and expenses for the year ended December 31 included:

	2021	2020
Other financial income		
Interest income on cash balances on accounts	1 005	3 508
	1 005	**3 508**
Financial expenses		
Amortization of discount of long-term debt	421 704	236 384
Loan related financial expenses	3 566	173 837
Financial expenses for using leased property	3 096	4 076
	428 366	**414 297**

ПІІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

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33. Other income and expenses

Other income and expenses for the year ended December 31 included:

	2021	2020
Other income		
Forgiveness of accrued interest (Note 19)	173 084	-
The result of changes in exchange rates	323 038	-
Other income	34 222	22 340
Insurance indemnity	3 845	1 605
Non-reimbursable assistance	1 052	
	535 241	**23 945**
Other expenses		
The result of changes in exchange rates	-	1 497 463
Residual value of non-current assets disposed of	264	487
	264	**1 497 950**

34. Income tax gain/(expenses)

The current corporate income tax rate in 2020-2021 was approved by the Tax Code of Ukraine at 18%. Deferred tax assets and liabilities as at December 31, 2021 were measured at the tax rates that are expected to apply to the period when the temporary differences are expected to be realized.

The components of deferred tax assets and liabilities are presented as follows:

	December 31, 2021	Reported in net profit	December 31, 2020	Reported in net profit	December 31, 2019
Deferred tax assets					
Intangible assets	311	244	67	(219)	286
Deferred tax liabilities					
Property, plant and equipment	89 422	(3 242)	86 180	607	86 787
Net deferred tax liabilities	**89 111**	**(2 998)**	**86 113**	**388**	**86 501**

Income tax gains are stated as follows:

	2021	2020
Current income tax expenses	-	-
Deferred income tax	(2 998)	388
Income tax gain	**(2 998)**	**388**

The effective income tax rate differs from the statutory income tax rates. Reconciliation of income tax expenses based on the statutory rates with the actual one:

	2021	2020
Profit/(loss) before tax	323 139	(1 631 586)
Income tax/(loss) at the rate of 18%	58 165	(293 685)
Decrease (increase) of non-recognized tax losses	(144 053)	207 967
Expenses not included in gross ones	82 890	86 106
Income tax gain	**(2 998)**	**388**

Deferred tax assets not recognized in these separate financial statements:

	2021	Changes for the year	2020	Changes for the year	2019
Tax losses	632 828	(144 053)	776 881	207 967	568 914

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Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

(in thousands of UAH)

35. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercises joint control or has significant influence on the other party.

The following are amounts of related party debts and transactions with the related parties:

Revenues and expenses from transactions with related parties for 2021:

	Parent company	Subsidiaries	Other companies	Total
Purchases	4 627	168		4 795
Sales expenses	10 670	4		10 674
Financial expenses	3 566			3 566
Other expenses	118			118
Forgiveness of interest on loans	173 084			173 084
Other income	-	1 091	-	1 091
	192 065	**1 263**	**-**	**193 328**

Revenues and expenses from transactions with related parties for 2020:

	Parent company	Subsidiaries	Other companies	Total
Purchases	574 305	6 030		580 335
Sales expenses	1 498	13 423		14 921
Financial expenses	173 837	-	-	173 837
	749 640	**19 453**	**-**	**769 093**

Debt as at December 31, 2021:

	Parent company	Subsidiaries	Other companies	Total
Accounts receivable for products, goods, works, services	-	8 189	-	8 189
Other long-term liabilities on loan without discount	9 292 616	-	-	9 292 616
Other current receivables	-	5 000	-	5 000
Current accounts payable on:				
Long-term liabilities	-	-	-	-
Goods, works, services	9 120	512	-	9 632
Other current liabilities	7 586	-	-	7 586
	9 309 322	**13 701**	**-**	**9 323 023**

Debt as at December 31, 2020:

	Parent company	Subsidiaries	Other companies	Total
Accounts receivable for products, goods, works, services	-	8 420	-	8 420
Accounts receivable for advances made	167 268			167 268
Other long-term liabilities on loan without discount	8 276 565	-	-	8 276 565
Other current receivables	-	5 000	-	5 000
Current accounts payable on:				
Long-term liabilities	1 583 378	-	-	1 583 378
Goods, works, services	1 943	3 189	-	5 132
Current accounts payable on advances received	-	-	-	-
Other current liabilities	180 437	-	-	180 437
	10 209 591	**16 609**	**-**	**10 226 200**

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
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Email: office@amicenergy.com.ua

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Loans received from related parties

As at December 31, 2021 and December 31, 2020, loans received by the Company from a parent company AMIC ENERGY MANAGEMENT GmbH (Austria), are presented as follows:

Type	Interest rate 2020-2021	Currency	Maturity term	December 31, 2021	December 31, 2020
Long-term loan	1,80%/0%	USD	20.12.2024	6 529 334	5 184 455
Long-term loan	1,80%/0%	USD	31.05.2022	2 763 282	2 864 217
Short-term debt on long-term loan	1,80%/0%	USD	20.12.2024	-	1 583 378
Long-term loan	1,80%/1,8%	USD	30.11.2023	-	227 893
Interest payable				7 586	180 437
Total loans from related parties				**9 300 202**	**10 040 380**

Included in equity (Note 18) are additional capital receipts from the Group's companies related to the loans.

Transactions with key management personnel

The key management personnel include those, who have the authority and responsibility for planning, management and control of the Company's activities.

For the year ended December 31, 2021, key management personnel comprised of 10 persons (2020: 10 persons) received the following remunerations:

	2021	2020
Short-term employee benefits		
Salary and bonuses	**30 633**	**30 994**

36. CONTINGENT AND OTHER OBLIGATIONS

Tax and legal issues

Ukrainian tax laws and transactions evolve with the transition to a market economy. Laws and regulations adopted are not always clear and their interpretation depends on the views of local, regional and central authorities and other state bodies. Often the views of different bodies on a particular issue do not coincide. Management believes that the Company complied with all regulations, and all statutory taxes were accrued and paid. In cases where the procedure for accrual of tax liabilities was not clear enough, the Company accrued tax liabilities based on Management estimates.

Litigation

As at December 31, 2021, the Company is a party to several litigation and disputes. Management believes that the final liabilities that may arise from these litigation or disputes will not have a material impact on the Company's financial position or performance.

Investment obligations

As at December 31, 2021 and December 31, 2020, the Company had no investment obligations to buy new equipment.

Insurance

The Company's insurance program is intended to cover most of the risks inherent in the Company's transactions, without any significant gaps in such coverage. The main operational risks of the Company are covered by policies for indemnity and civil liability.

Environmental issues

Environmental legislation continues to evolve in Ukraine. The Company periodically assesses its obligations under environmental legislation. Contingencies that may arise because of changes in statutes in place, civil litigations or legislative changes cannot be estimated, but their impact may be significant. In the current situation with the enforcement of existing legislation, Management believes that the Company has met all state environmental requirements. Accordingly, the Company has no significant environmental obligations.

ПІ АМІК Україна
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Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

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37. Financial risk management and capital management

The main categories of financial instruments

The main financial instruments of the Company are trade and other current receivables, cash and cash equivalents, trade payables, accrued liabilities and other accounts payable, bank loans. The main purpose of these financial instruments is to obtain financing for the operating activities of the Company.

Financial instruments by valuation categories as at December 31, 2021, December 31, 2020 are presented as follows:

	December 31, 2021	December 31, 2020
Financial assets		
At amortized cost:		
Long-term receivables	662	3 053
Cash and cash equivalents	147 027	259 643
Accounts receivable for products, goods, works, services	87 797	50 193
Other current receivables	9 360	6 629
	244 846	**319 518**
Financial liabilities		
Financial liabilities at amortized cost		
Other long-term liabilities under loans	8 489 922	7 904 123
Other long-term liabilities under lease agreements	10 591	19 107
Current debt on long-term liabilities	9 160	1 464 426
Current debt on loan interest	7 586	180 437
Current accounts payable for goods, works, services	193 373	99 936
Other current liabilities	613	450
	8 711 245	**9 668 479**

The main risks that arise when using the Company's financial instruments are credit risk, interest rate risk, currency risk and liquidity risk.

Credit risk

The main financial assets of the Company are cash and receivables. Cash is valued with minimal credit risk since it is placed in banks with high rating.

The maximum credit risk as at December 31, 2021 and December 31, 2020 is presented as follows:

	December 31, 2021	December 31, 2020
Long-term receivables	662	3 053
Cash and cash equivalents, net cash on hand	139 352	254 132
Accounts receivable for products, goods, works, services	87 797	50 193
Other receivables	9 360	6 629
Total financial assets	**237 171**	**314 007**

The Company structures the levels of credit risk that it assumes, setting limits on the amount of risk taken against one or a group of customers. Limits at the level of credit risk by type of client are regularly approved by the Company's management.

Interest rate risk

Changes in interest rates mainly affect loans and borrowings, varying either their fair value (loans at fixed interest rates) or future cash flows (loans at floating interest rates).

The Company's policy on interest rate risk management is to obtain loans at both fixed and variable interest rates. When receiving new loans or borrowings, Management decides based on what interest rate — fixed or variable — in its opinion, will be more favorable to the Company during the expected period before debt maturity.

The Company is exposed to interest rate risk on loans with variable interest rates. In the event of an increase in the interest rate on such loans by 100 basis points as of December 31, 2021 and 2020, interest expenses would increase by UAH 96 731 thousand and UAH 96 576 thousand, respectively. Reducing the interest rate by 100 basis points would reduce interest expenses by the same amount.

ПІІ АМІК Україна
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Currency risk

The Company is exposed to the currency risk on purchases, balances on bank accounts and loans denominated in foreign currencies. The currency causing this risk is, basically, the US dollar. According to Ukrainian legislation, the Company's ability to hedge currency risk is limited; as such, the Company does not hedge its currency risk.

The carrying amount of the Company's monetary assets and liabilities, denominated in foreign currencies, as at December 31, 2021 and December 31, 2020 is presented in national currency as follows:

	December 31, 2021		December 31, 2020	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash and cash equivalents	10 710	20 761	207 343	11 002
Trade receivables	13 367	19	1 977	-
Total assets	**24 077**	**20 780**	**209 320**	**11 002**
Liabilities				
Long-term liabilities under loan agreement	(8 489 922)	-	(7 904 123)	-
Short-term loans	(7 586)	-	(1 637 052)	-
Accounts payable for goods, works, services	(96 062)	(9 254)	(26 823)	(2 374)
Total liabilities	**(8 593 570)**	**(9 254)**	**(9 567 998)**	**(2 374)**
Net position	**(8 569 493)**	**11 526**	**(9 358 678)**	**8 628**

The level of sensitivity is an assessment by Management of possible changes in exchange rates.

This sensitivity analysis includes only outstanding balances of monetary assets denominated in foreign currencies and calculates the effect of their translation into the presentation currency at the end of the period, including +10% growth in exchange rates. The table below presents the Company's sensitivity to the weakening of the Ukrainian hryvnia against the US dollar and the Euro.

	USD	EUR
Profit/(loss) as at December 31, 2020, UAH	(935 868)	863
Profit/(loss) as at December 31, 2021, UAH	(856 949)	1 153

In the case of strengthening of the hryvnia to foreign currencies, the impact on profit/ loss will be the same, but with a different sign.

Liquidity risk

This is the risk that the Company will not be able to pay off its obligations as they arise. The liquidity position of the Company is carefully monitored and managed. The Company uses the detailed budgeting and cash flow forecasts to ensure that adequate means are available to meet its payment obligations. Most of the Company's expenses are variable and depend on the volume of finished products sold.

The following are the financial liabilities of the Company as at December 31, 2021 by maturity on the basis of contractual amounts of payments:

	Contractual cash flows				
	Up to 3 months	Up to 6 months	Up to 12 months	More than a year	TOTAL
Interest loans and borrowings	7 586	-	-	9 292 616	9 300 202
Current accounts payable for goods, works, services	193 373				193 373
Other current liabilities	613				613
Liabilities under lease agreements	2 777	2 777	5 554	11 223	22 331
	204 349	**2 777**	**5 554**	**9 303 839**	**9 516 519**

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Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

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The following are the financial liabilities of the Company as at December 31, 2020 by maturity on the basis of contractual amounts of payments:

	Contractual cash flows				
	Up to 3 months	Up to 6 months	Up to 12 months	More than a year	TOTAL
Interest loans and borrowings	2 006 107	242 785	573 816	7 878 181	10 700 889
Trade and other accounts payable	99 936	-	-	-	99 936
Current accounts payable for goods, works, services	449				449
Liabilities under lease agreements	2 768	2 768	5 536	21 136	32 208
	2 109 260	**245 553**	**579 352**	**7 899 317**	**10 833 482**

Capital management

The Company manages its capital to ensure the Company's business as a going concern in the future and same time maximize owners' profits by optimizing the debt-to-equity ratio. The Company's management regularly reviews its capital structure. Based on the results of such a review, the Company takes measures to balance the overall capital structure by obtaining new loans or repaying existing debt.

The Company's management monitors the capital structure by controlling the debt-to-equity ratio as shown below:

	December 31, 2021	December 31, 2020
Total liabilities	9 300 202	10 700 889
Less cash and cash equivalents	(147 027)	(259 643)
Net debt	9 153 175	10 441 246
Total equity	**(6 169 300)**	**(7 245 802)**

38. Fair value of financial instruments

The table below presents a hierarchy of the fair value measurement of the Company's assets and liabilities:

December 31, 2021	In the statement of financial position	Level 1	Level 2	Level 3	TOTAL
Financial assets whose fair value is disclosed					
Long-term receivables	662	-	-	662	662
Cash and cash equivalents	147 027	-	147 027	-	147 027
Accounts receivable for products, goods, works, services	87 797	-	-	87 797	87 797
Other current receivables	9 360	-	-	9 360	9 360
	244 846	**-**	**147 027**	**97 819**	**244 846**
Financial liabilities whose fair value is disclosed					
Long-term liabilities under loan agreements	8 489 922	-	8 489 922	-	8 489 922
Current debt on long-term liabilities	-	-	-	-	-
Current debt on loans	7 586	-	7 586	-	7 586
Current accounts payable for goods, works, services	193 373	-	-	193 373	193 373
Other current liabilities	613	-	-	613	613
	8 691 494	**-**	**8 497 508**	**193 986**	**8 691 494**

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
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December 31, 2020	In the statement of financial position	Level 1	Level 2	Level 3	TOTAL
Financial assets whose fair value is disclosed					
Long-term receivables	3 053	-	-	3 053	3 053
Cash and cash equivalents	259 643	-	259 643	-	259 643
Accounts receivable for products, goods, works, services	50 193	-	-	50 193	50 193
Other current receivables	6 629	-	-	6 629	6 629
	319 518	**-**	**259 643**	**59 875**	**319 518**
Financial liabilities whose fair value is disclosed					
Long-term liabilities under loan agreements	7 904 123		7 904 123		7 904 123
Current debt on long-term liabilities	1 464 426	-	1 464 426	-	1 464 426
Current debt on loans	180 437		180 437		180 437
Current accounts payable for goods, works, services	99 936	-	-	99 936	99 936
Other current liabilities	450	-	-	450	450
	9 649 372	**-**	**9 548 986**	**100 386**	**9 649 372**

In 2021 and 2020, there were no reclassifications between Levels 1, 2 and 3 of the fair value hierarchy.

Financial assets whose fair value is disclosed

Cash and cash equivalents are carried at amortized cost, which is approximately equal to their current fair value.

The estimated fair value of fixed interest rate instruments is based on the method of discounting expected future cash flows, applying effective interest rates in the loan market for new instruments that provide the same credit risk and the same maturity. Discount rates depend on the credit risk of the buyer. The carrying amount of trade receivables is equal to their fair value.

Financial liabilities whose fair value is disclosed

Fair value is estimated on the basis of market quotations, if any. The estimated fair value of fixed interest rate instruments with a fixed maturity that do not have a market quotation is based on discounting the estimated cash flows using interest rates for new instruments with the same level of credit risk and a specific maturity date. The carrying amount of financial liabilities is equal to their fair value.

39. EVENTS AFTER THE REPORTING PERIOD

Full-scale war of the russian federation against Ukraine

A significant event after the reporting date is the full-scale war of the russian federation against Ukraine. On February 24, 2022, military and civilian facilities were attacked, the aggressor's military units entered Ukraine from all directions where its forces were concentrated, including from the republic of belarus.

Ukraine introduced martial law on February 24, 2022, mobilization was announced, diplomatic relations with the russian federation were terminated. From the first day of full-scale war, the Armed Forces of Ukraine have been actively resisting the troops of the russian federation and gradually liberating the occupied territories.

However, a considerable part of the territory of Ukraine in the east and south is still temporarily occupied and the active phase of hostilities is ongoing on the contact line. Rocket and bomb attacks on infrastructure facilities and population throughout Ukraine do not stop. Almost 8 million people fled the country, seeking refuge abroad - this is 20% of the actual population of our country. 4 million 900 thousand citizens of Ukraine became internally displaced persons within our country, of which 30% are pensioners and persons with disabilities.

For nine months of the full-scale war in Ukraine, the russian federation has been violating the laws and customs of the war. Starting from crimes against civilian Ukrainians to the destruction of critical infrastructure, the occupiers disregard all the established rules every time. One of the main tasks of

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

international humanitarian law is to protect civilians during hostilities. The conventions clearly spell out all the prohibited actions against civilians, but the russian army neglects most of these prohibitions, committing murders and violent acts against civilians, forcing civilians to provide any testimony or information, robbing civilians, forcing civilians to fight on the side of the occupying forces, transferring civilians to the territory of the occupying state, ill-treating prisoners, using a number of weapons that, due to their indiscriminate targeting, posing a direct threat to the civilian population, attacking on nuclear power plants and other facilities, whose destruction could lead to the leakage of hazardous substances, attacking on buildings that are historical monuments, cultural or spiritual heritage and attacking on civilian medical facilities and educational institutions at all levels of education.

Impact on the operating environment

On February 24, Ukraine lost not only safe sky over its head, but also, according to the Ministry of Economy, 97% of external supplies of oil products to the market. Before the full-scale war, Ukraine received fuel from belarus, the russian federation and other suppliers by rail through the territory of belarus. But since the full-scale attack, imports of motor fuel from belarus and the russian federation have been suspended. Ukraine has faced a challenge that no other country in Europe has ever faced: to completely rebuild logistics in the shortest possible time. Of all the available routes, only the road remained, but before the war it provided only 3% of the supply. Previously, road carriers did not need to go abroad, so they were not technically ready for foreign trips. Problems were encountered, and it took some time for road carriers to resolve them - obtaining deferrals from mobilization (booking) of drivers, obtaining foreign passports by drivers, international licenses by carriers, customs certificates, certificates for the car and many other things that cannot be done quickly, especially during the war. Market operators began to draw up contracts with foreign suppliers and foreign carriers, and together with Ukrainian carriers to buy fuel trucks in Europe. The transport component of the cost of fuel when delivered by road from abroad and the delivery time increased.

During the first 3 months of the war Ukraine actively reoriented to other supply routes.

That is why the Government has created conditions for the import of fuel from abroad. It prioritized the entry of vehicles with petroleum products to Ukraine, ensured extraordinary clearance of fuel at the borders, provided for compensation for losses due to hostilities, introduced insurance of railway and road tankers, as well as vessels of other countries transporting fuel. At the beginning of the full-scale war, the excise duty on petroleum products was abolished, and VAT was reduced from 20 to 7%. Later, fuel price regulation was suspended to allow operators to replenish their stocks faster.

Delivery of oil and oil products to Ukraine by sea has also become unavailable. Rail deliveries of petroleum products from Lithuania are possible through Poland and other neighboring countries, but the main problem here is the different gauge of European and Ukrainian railways and the lack of wagons.

Not only Ukraine needs to rebuild logistics, but also Europe, which was not ready for new fuel challenges. Europe is also dependent on imports and has never supplied fuel to Ukraine in industrial volumes before, so given the supplies to Ukraine, it should import much more. For Europe, this is an additional burden on ports and railways, which means that they also need to rebuild logistics and their oil products market. With the participation of the Government of Ukraine and oil traders, a successful energy forum was held in Warsaw on May 10, 2022, where the main directions for solving logistics problems were outlined. Practical solutions were found to increase the volume of fuel supplies and increase fuel transshipment through Poland from 60 to 200 thousand tons per month. Work has begun on transshipment hubs on the railway and the construction of non-standard logistics routes through the Black Sea, Baltic and Adriatic ports. Ukraine and Poland agreed to establish a joint venture to intensify railway transportation and made significant progress in the liberalization of road transportation. Ukraine received 25 thousand tons of gasoline from the Polish reserve as humanitarian aid.

Since the beginning of the russian aggression, there has been a shortage of fuel not only due to the disruption of logistics chains, but also due to the destruction of the country's oil depots and gas stations by the enemy.

Faced with problems in advancing deep into Ukrainian territory, russian troops changed their tactics at the end of March and started targeting Ukrainian oil depots with cruise missiles. Oil depots in Kyiv, Lviv, Volyn, Rivne, Poltava, Dnipropetrovsk and Odesa regions were destroyed or damaged. Thus, the enemy tried to cause fuel shortages and disrupt the sowing season.

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

The missile strikes destroyed the infrastructure of the Kremenchuk Oil Refinery, the largest petroleum products production enterprise in Ukraine, which provided more than a third of the entire Ukrainian fuel market and was one of the main suppliers of petroleum products to the Company (supply volumes: 2020 - 86.065 tons or 28%, 2021 – 93.761 tons or 26%). The Ukrainian market survived on the resources of this plant in March and half of April 2022. At the same time, the enemy destroyed more than 20 oil depots located on the territory of our country.

After the russian federation's strikes on the fuel infrastructure, Ukraine became critically dependent on imports of petroleum products.

At the beginning of the full-scale war, Ukraine faced an acute shortage of fuel. Huge queues were formed at gas stations. Fuel was sold with a limit of 20 liters. Small networks did not work at all. After three weeks of war, fuel appeared in large networks, and for some time the restrictions were even lifted. It seemed that the situation had stabilized.

However, in the last week of April everything changed and the shortage of fuel at gas stations began. The situation reached the point where "zeros" were lit on the steles of many gas stations, and some networks limited the sale to ten liters. About two thirds of 6500 Ukrainian gas stations were closed, which led to long queues at operating gas stations due to low residual stocks of oil traders. If before the war the fuel reserves were enough for 15-20 days of sales, then by that time they ranged from three to seven days. Some of them even worked from "wheels" and fuel was available at the gas stations only when a tanker truck made another delivery.

The joint efforts of the Government and oil traders gave a significant result, it was possible to increase the volume of road transportation of fuel in May compared to March by 15 times, rail and river - by 5 times, which led to the gradual saturation of the market.

All these measures together made it possible to increase the volume of imports by 12 times.

If in March an average of 827 tons of gasoline and 1.4 thousand tons of diesel fuel were imported per day, in August – 4.2 thousand and 16.9 thousand tons respectively. The market has gradually accumulated stocks of petroleum products due to the constant growth of imports. That is why today there is no rush demand for fuel, there are no queues at gas stations, and prices do not show a tendency to rapid growth, and have not changed, despite the introduction of an excise tax rate of 100 euros per 1000 liters of gasoline and diesel fuel and 52 euros per 1000 liters of liquefied gas from 30.09.2022. According to consumption forecasts in September-December, Ukraine needs 500-550 thousand tons of fuel per month. Ukraine imports larger volumes, which allows to fully meet the needs of the Armed Forces, as well as emergency and municipal services, farmers, public transport.

Today, Ukraine receives 95% of imported gasoline and 72% of diesel fuel from the EU countries. The leaders of supply are Romania, Lithuania, Slovakia, Greece, Bulgaria and Poland.

Impact on the Company's assets

The Company operates in all regions of Ukraine, except for the temporarily occupied territory of Donetsk region, the entire Luhansk region and the Autonomous Republic of Crimea. With the outbreak of the war and aggressive advance of the russian army deep into the territory of Ukraine, a part of the Company's assets were located in the occupied territories and ceased to operate. After the de-occupation of Kyiv, Chernihiv, Sumy, Kharkiv regions by the Armed Forces of Ukraine and gaining access to the assets, the Company conducted an inventory and recorded the damage caused by the russian aggression. The inventory revealed destruction, damage and shortage of property, plant and equipment, cash and inventory shortages. The Company filed applications to local police departments and opened criminal proceedings.

According to the results of the inventory as of 30.09.2022, property, plant and equipment in the amount of UAH 28 661 thousand was written off. The most significant damage as a result of the rocket attack was caused to the oil depot in Borodyanka, Kyiv region, where the rocket hit directly the gasoline tank and a fire broke out. After de-occupation of the territory and inspection by the State Emergency Service, access to the oil depot was obtained, a commission was formed and an inventory was carried out. The carrying amount of the damaged property of the tank farm amounted to UAH 20 631,8 thousand.

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

Property, plant and equipment

The residual value of the written-off property, plant and equipment by groups of property, plant and equipment, was as follows:

In thousands of UAH	Buildings and structures	Production and other equipment	Vehicles	Other property, plant and equipmen t	Construction in progress	Total
Residual value as at December 31, 2021	26 603	2 816	79	262	-	29 760

The residual value of damaged property, plant and equipment as at 31.12.2021, by groups of property, plant and equipment, was as follows:

In thousands of UAH	Buildings and structures	Production and other equipment	Vehicles	Other property, plant and equipment	Construction in progress	Total
Residual value as at December 31, 2021	15 940	1 435	292	422	-	18 089

To determine the extent of damage and their market (estimated) value, the Management intends to perform an expert assessment of the damaged property to determine the market value of such losses and collect all necessary documents to confirm the destruction caused by the russian federation and subsequent compensation of the losses.

The Company intends to repair some of the damaged and repairable property, plant and equipment for further use in its operations.

Due to the impossibility to conduct an inventory at the filling stations located in the temporarily occupied territories, having certain information about the destruction of some filling stations, the Management decided to impair property, plant and equipment and to form a provision for the loss of other tangible assets. The amount of impairment of property, plant and equipment located in the temporarily occupied territories is UAH 114 310 thousand. The Company created a provision for cash, goods and inventories of gas stations located in the temporarily occupied territories in the amount of UAH 20 355 thousand.

Impact of military aggression on the Company's operations and financial position

After the full-scale invasion by the russian federation into Ukraine, the Company did not suspend its activities for a single day, providing fuel not only to the critical infrastructure of the country, but also to consumers at the filling stations, serving more than 50 thousand customers daily. Since February 24, the Company has assisted the units of the Armed Forces of Ukraine, the Security Service of Ukraine, the National Police of Ukraine, the Border Guard Service of Ukraine, the Territorial Defence, Military Administrations and local communities of different regions by providing over 250 000 litres of fuel free of charge.

Since the beginning of the full-scale war and up to the present time, the Company has been making timely payments on obligations to suppliers of goods, works and services, as well as advances for the purchase of petroleum products. Despite the reduction in sales of petroleum products due to fuel shortages, disruption of logistics chains, occupation and destruction of filling stations as a result of the military aggression of the russian federation, the Company kept paying salaries to all employees, including the staff of the filling stations that were destroyed and located in the temporarily occupied territories and territories where military operations (were) are taking place, without laying off any employee for the period from February 24 to June 30, 2022.

Also, the Company keeps accruing and paying salaries to 77 mobilized employees based on average earnings, despite the legislative changes from 19.07.2022, which exempt the Company from the mandatory payment of average earnings to mobilized employees, and paying additional taxes and providing additional incentives to the Defenders. The average monthly funding of the Company, including all mandatory taxes and fees, is UAH 1 758 thousand.

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Верхній Вал 68, Київ 04071, Україна
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Despite the legislative delay in the payment of taxes and submission of tax reports, the Company, realizing the importance of filling the budget in this difficult time for the country, transferred taxes to the state and local budgets within the terms provided by law before the introduction of martial law.

Unlike other oil traders, before the beginning of the war, the Company already had long-term stable business relations with the Mažekiai Oil Refinery (Republic of Lithuania) of the Polish oil concern ORLEN. The Company's share in the purchase of petroleum products from ORLEN Lietuva in 2021 amounted to 30.3%. Also, for several years before the outbreak of the full-scale war, the Company had been cooperating with the Ukrainian producer Ukrtatnafta, which supplied fuel to our filling stations in the first months of the war.

According to the results for 9 months of 2022, the Company incurred losses as a result of reduced sales, write-off of destroyed and stolen petroleum products, cash and property, plant and equipment, and changes in exchange rates.

The Company did not need additional financing for operating activities, charitable assistance in 2022.

Management's forecasts and ability of the Company to continue as a going concern

The management has prepared updated financial projections, including demand and cash flow projections, for the period of twelve months from the date of approval of these separate financial statements, accounting the most probable and possible negative scenarios of military aggression impact on the Company's operations.

The following scenarios have been identified by the management for modelling:

- **Basic scenario.** Military aggression and active hostilities will continue until summer 2023; during this time, Ukraine will regain control of all territories that were controlled before February 24, 2022; the gradual return of Ukrainians to the country will begin.
- **Optimistic scenario.** Ukraine will win by the end of 2023, regain control of all temporarily occupied territories and return to the borders of 1991; Ukrainians will actively return to Ukraine. Rapid reconstruction of the country will begin.
- **Negative scenario.** Active hostilities and insignificant advance of the enemy in some parts of the frontline during the next 12 months; significant reduction of international support to Ukraine; intensive outflow of workforce abroad.

According to the Company's management, the negative scenario is unlikely, so the forecasts for 2023 are based on the assumptions of the base and optimistic scenarios.

Negative scenario

Given the high degree of uncertainty related to the development of hostilities, their outcome, intensity, impact on the population and businesses in the areas of hostilities, their intensification and expansion to other regions of Ukraine; or possible political and socio-economic consequences of military aggression and a significant reduction in international support for Ukraine, the Company's management is unable to estimate and calculate all the significant effects on the Company's operations under the negative scenario.

Given the significant reduction of the geographical areas of hostilities in April 2022 and the successful advance of the Armed Forces of Ukraine and advance in the Kharkiv, Donetsk and Kherson directions starting from summer 2022, unprecedented political, economic and military support of Ukraine from foreign partners, political and economic stability of Ukraine as at the date of approval of these separate financial statements, the Company's management believes that the realization of the negative scenario is unlikely.

Basic scenario

The key assumptions used in the baseline scenario are as follows:

- No further advance of russian troops into the territory of Ukraine and no further escalation of hostilities that could seriously affect the Company's assets and operations.
- Stable supplies of petroleum products from European suppliers, no fuel shortages.
- Partial return of Ukrainians to the country and increase in fuel sales.
- Increased demand due to the reopening of large enterprises.

ПІ АМІК Україна
Верхній Вал 68, Київ 04071, Україна
Тел.: 0038 (044) 593 93 00 Факс: 0038 (044) 501 05 48
Email: office@amicenergy.com.ua

- Reopening of filling stations in the de-occupied territories to meet the demand of the Ukrainian market.

Using these assumptions, the Company will have the ability and sufficient commodity and financial resources to carry out its operating activities. In the base scenario, the Company will not require external working capital financing. The baseline scenario was based on the actual results for 11 months of 2022 adjusted for the sharp increase in foreign exchange rates and losses due to asset write-offs that are not expected in the next year.

Optimistic scenario

The key assumptions used in the optimistic scenario are as follows:

- Ukraine will regain control of all territories and return to the borders of 1991.
- International support for Ukraine will only increase and sanctions against russia will be strengthened.
- Continuous fuel supply, no deficit.
- Active return of Ukrainians and growing demand for petroleum products among the population.
- Reconstruction of hospitals, schools, kindergartens, critical infrastructure facilities and industrial enterprises, which will increase the need for fuel for enterprises involved in the country's recovery process.
- Reconstruction of destroyed and damaged gas stations in full.
- Partial recovery of air transportation and demand for fuel for air transportation not only for cargo but also for passenger transportation.

The results of the modeling based on the optimistic scenario indicate that, given the growth of demand in the Ukrainian market, the absence of fuel shortages, the Company has sufficient economic resources to continue operating activities in the near future.

The full extent of the impact of further military aggression on the Company's operations is unknown, but it could be significant. At the same time, management notes that the development of events, duration and consequences of military aggression are subject to significant uncertainty, and the fact that, in addition to hostilities, the results of the Company's operations may be significantly affected by factors beyond the direct control of the Company's management, which has limited tools to mitigate such risks (bankruptcy and insolvency of market participants, changes in foreign exchange rates, changes in the cost of goods and services as a result of inflation, etc.), therefore, the estimates and assumptions applied by management to project the future results of operations are subject to significant uncertainty.

The Company determined that these events are not adjusting events after the reporting date. Accordingly, the financial position and results of operations as at and for the year ended December 31, 2021 have not been adjusted to reflect their impact.

Acquisition of subsidiaries

An important event after the reporting date is the merger of subsidiaries AMIC AVIA OIL LLC and AMIC AVIATION Ukraine LLC.

On 16.02.2022, the Transfer Act of balance sheet accounts, material values and assets from AMIC AVIA OIL LLC to the legal successor of AMIC UKRAINE FDI was drawn up. The total amount of the merged assets is UAH 7 295 thousand. The largest asset items are “Accounts receivable” in the amount of UAH 4 171 thousand and “Accounts receivable for settlements with the budget” in the amount of UAH 3 045 thousand.

On 21.07.2022, the Transfer Act of balance accounts, material values and assets from LLC "AMIC AVIATION UKRAINE" to the legal successor of FDI "AMIC UKRAINE" was drawn up. The total amount of the merged assets is UAH 8 419 thousand. On 15.11.2022, after the tax audit, changes were made to the Transfer Act of balance sheet accounts, material values and assets from LLC "AMIC AVIATION UKRAINE" to the successor of FDI "AMIC UKRAINE". The total amount of the merged assets is UAH 6 668 thousand. The largest item is "Receivables from settlements with the budget" in the amount of UAH 6 523 thousand.

ПІІ АМІК Україна
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Email: office@amicenergy.com.ua

Seizure of the Company's assets

On 08.06.2022, a criminal proceeding was registered on the grounds of criminal offenses under Art. 212 of the Criminal Code of Ukraine (intentional tax evasion) and Art. 209 of the Criminal Code of Ukraine (legalization of proceeds of crime), which is being investigated by detectives of the Bureau of Economic Security of Ukraine under the procedural guidance of prosecutors of the Prosecutor General's Office. The proceedings are at the pre-trial investigation stage. The Company became aware of the criminal proceedings on 22.07.2022. During the pre-trial investigation, measures were taken to ensure criminal proceedings in the form of arrest: on 14.07.2022 on 100% of the share of the authorized capital of the Company owned by AMIC Energy Management GmbH (Austria); on 03.08.2022 on the trademark (certificate No. 265078) and on real estate owned by the Company.

All arrests were imposed without prohibition of use, thus the Company has no restrictions in the daily operating activities of the filling station and customer service. At the time of preparation of this report, the Company has not been provided with any official calculations (agreed tax notification letter, examination, etc.) in the criminal proceedings regarding the payment of which taxes or other obligatory payments and in what amount the Company evaded. According to the results of tax audits of the Company during 2015-2021, no tax violations in the areas of economic activity referred to by the law enforcement agency were detected. The Company believes that the criminal proceedings are groundless, assumptions about tax and other violations are not supported by documents. The Company carries out its activities in accordance with the requirements of the current legislation, is one of the five largest taxpayers in terms of tax liabilities paid per 1 liter of fuel sold, and, despite the deferral of mandatory payments introduced under martial law, continues to pay taxes in good faith. AMIC Ukraine FDI is one of the few oil trading companies that fully concentrates the entire business of the network.

The Company cooperates with the Bureau of Economic Security of Ukraine and the Office of the General Prosecutor to establish the actual circumstances and close the criminal proceedings as soon as possible. In accordance with the provisions of the Criminal Procedure Code of Ukraine, criminal proceedings may be closed at the stage of pre-trial investigation without notifying any person of suspicion and without bringing charges.

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