



**COMPANY WITH FOREIGN INVESTMENTS
AMIC UKRAINE**

FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Together with Independent Auditor's Report

FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS
As at December 31, 2022 and for the year then ended
(in thousands of UAH)

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INDEPENDENT AUDITOR'S REPORT

To the Owners of the Company with Foreign Investments AMIC UKRAINE

Report on the audit of the financial statements

Opinion

We have audited the 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:

- Statement of Financial Position as at December 31, 2022;
- Statement of Comprehensive Income for 2022;
- Statement of Cash Flows for 2022;
- Statement of Changes in Equity for 2022;
- Note to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, 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 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 Notes 2, 3 and 39 to these financial statements, which describe events and conditions that have arisen due to the fact that on February 24, 2022, the military invasion of Ukraine by the Russian Federation began and continues, the effects of which on the Company's operations are unpredictable. As described in Note 3, these events, or conditions, together with other matters described in Notes 2 and 39, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



We also draw attention to Note 3 to the financial statements, which states that as at December 31, 2022, the Company has negative equity in the amount of UAH 9 399 135 thousand (December 31, 2021: UAH 6 169 300 thousand), and its current liabilities exceed its current assets by UAH 1 733 125 thousand (December 31, 2021: current liabilities are less than its current assets by UAH 739 965 thousand). These events and circumstances described in Note 2, together with other matters discussed in Notes 3 and 39 to these financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management of the Company is responsible for the other information prepared as at and for the year ended December 31, 2022.

Other information consists of:

- Management Report for 2022, 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 financial statements prepared based on IFRS Financial Reporting Taxonomy in a single electronic format (iXBRL) as at and for the year ended December 31, 2022, 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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Management Report

The Company plans to prepare and publish the Management Report for 2022 after the date of publication of this Independent Auditor's Report. Once the Management Report for 2022 is received and reviewed, if we conclude that there is a material misstatement thereof, we will also inform of this fact those charged with governance.

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

The Company plans to prepare and publish the financial statements prepared based on Financial Reporting Taxonomy under IFRS in a single electronic format (iXBRL) for 2022 after the date of publication of this Independent Auditor's Report. Once the financial statements prepared based on Financial Reporting Taxonomy under IFRS in a single electronic format (iXBRL) are received and reviewed, 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 financial statements

Management of the Company is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 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 December 30, 2022. The Report on the Audit of 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 financial statements by BDO LLC, taking into account the prolongation of authorities that took place, and the repeated appointments, is 6 (six) years. For BDO LLC, this assignment is also the fourth year of the 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 Matters section of this report, we disclosed matters that were of greatest importance during the audit of the current period's financial statements and which, according to our professional judgment, should be focused towards. These matters were considered in the context of our audit of the 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 financial statements was agreed with the information in the Supplementary Report for the Owner dated April 24, 2022.
5. During 2022, 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 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 2022 and from January 01, 2023, 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

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

Kyiv, April 30, 2023

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. 044 393-76-91

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-obovjzkovyj-audyt-finansovoi-zvitnosti-pidpryjemstv-shho-standovljat-suspilnyj-interes/>



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE 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-V, is made with a view to distinguishing the respective responsibilities of Management and those of the independent auditors in relation to the financial statements of the CFI AMIC UKRAINE (further – the Company).

Management of the Company is responsible for the preparation of the financial statements that present fairly, in all material respects, the financial position of the Company as at December 31, 2022 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 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 financial statements;
- Preparing the 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 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 financial statements of the Company for 2022 were approved on April 30, 2023.

Signed on behalf of the Company:

General Director

Chief Accountant



Stropus Audrius

Yartseva Tetiana Volodymyrivna

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

	Note	31.12.2022	31.12.2021
ASSETS			
I. Non-current assets			
Intangible assets	7	2 948	4 530
original cost	7	12 575	13 656
accumulated amortization	7	(9 627)	(9 126)
Capital investments in progress	8	12 031	13 924
Property, plant and equipment	8	1 399 652	1 641 346
original cost	8	2 269 797	2 259 107
depreciation	8	(870 145)	(617 761)
Investment property	9	3 731	7 462
original cost	9	22 386	22 386
depreciation	9	(18 655)	(14 924)
Long-term financial investments accounted for using the equity method in other companies	10	-	4 342
Long-term accounts receivable		-	662
Other non-current assets	11	21 149	8 093
Total in Section I		1 439 511	1 680 359
II. Current assets			
Inventories	12	785 707	693 894
Accounts receivable for goods, works and services	13	36 011	87 797
Accounts receivable from advances made	14	142 592	159 364
Accounts receivable on settlements with budget	15	42 280	32 979
including income tax	15	307	304
Other current accounts receivable	13	3 410	9 360
Cash and cash equivalents	16	221 645	147 027
Other current assets	17	1 221	664
Total in Section II		1 232 866	1 131 085
III. Non-current assets held for sale and disposal groups			
		-	-
Balance		2 672 377	2 811 444

Notes on pages 7-45 are an integral part of the financial statements.

FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS
As at December 2022 and for the year then ended
(in thousands of UAH)

Liability	Note	31.12.2022	31.12.2021
I. Equity			
Authorized capital	18	51 931	51 931
Additional capital	18	2 350 693	1 996 562
Retained earnings (uncovered loss)	18	(11 801 759)	(8 217 793)
Total in Section I		(9 399 135)	(6 169 300)
II. Long-term liabilities and provisions			
Deferred tax liabilities	34	67 716	89 111
Long-term loan liabilities	19	9 011 449	8 489 922
Long-term lease liabilities	20	26 356	10 591
Total in Section II		9 105 521	8 589 624
III. Current liabilities and provisions			
Current accounts payable on:			
Long-term liabilities	19, 20	2 566 229	9 160
Goods, works, services	21	189 201	193 373
Settlements with budget	22	1 752	8 706
Insurance	22	2 443	3 747
Remuneration of labor	22	11 731	16 313
Current payables on advances received	22	74 902	102 178
Current provisions	23	80 733	49 444
Deferred income	26	-	-
Other current liabilities	19, 24	39 000	8 199
Total in Section III		2 965 991	391 120
IV. Liabilities related to non-current assets held for sale and disposal groups			
		-	-
Balance		2 672 377	2 811 444

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

General Director

Stropus Audrius

Chief Accountant

Yartseva Tetiana Volodymyrivna



Notes on pages 7-45 are an integral part of the financial statements.

FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS
As at December 2022 and for the year then ended
(in thousands of UAH)

STATEMENT OF COMPREHENSIVE INCOME FOR 2022

	Note	2022	2021
Net income from sales of products (goods, works, services)	27	8 502 285	11 109 822
Cost of sold products (goods, works, services)	28	(7 185 050)	(9 623 689)
Gross profit		1 317 235	1 486 133
Other operating income	31	18 930	24 509
Administrative expenses	29	(157 703)	(132 315)
Distribution costs	30	(916 049)	(1 111 059)
Other operating expenses	31	(304 104)	(48 837)
Financial result from operating activity		(41 691)	218 431
Equity income	10	-	-
Other financial income	32	8 025	1 005
Other income	33	18 756	535 241
Financial expenses	32	(505 882)	(428 366)
Equity loss	10	-	(2 908)
Other expenses	33	(3 010 425)	(264)
Financial result before tax		(3 531 217)	323 139
Income tax gain/(expenses)	34	21 395	(2 998)
Net profit/(loss)		(3 509 822)	320 141
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(3 509 822)	320 141

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

General Director

Stropus Audrius

Chief Accountant

Yartseva Tetiana Volodymyrivna



Notes on pages 7-45 are an integral part of the financial statements.

FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS
As at December 2022 and for the year then ended
(in thousands of UAH)

STATEMENT OF CASH FLOWS FOR 2022

	Note	2022	2021
I. Cash flows from operating activity			
Inflows from:			
Sale of products (goods, works, services)		9 376 642	12 969 789
Return of taxes and levies		145	33
Target financing		-	24
Inflows from advances from buyers and customers		81 467	212 412
Inflows from return of advances		70 926	201 476
Inflows from interest on cash balances on current accounts		8 025	1 005
Inflows from borrowers of forfeits (fines, penalties)		1 703	2 313
Inflows from operating leases		16 983	24 800
Other inflows		9 114	8 518
Expenses to pay:			
Goods (works, services)		(6 557 219)	(12 119 307)
Remuneration of labor		(319 891)	(336 334)
Social charges		(80 226)	(86 065)
Tax and duties payable		(241 838)	(245 338)
Payment of advances		(2 094 572)	(223 620)
Return of advances		(59 115)	(3 978)
Other expenses		(49 061)	(16 719)
Net cash flows from operating activities		163 083	389 009
II. Cash flow from investment activity			
Inflows from sales of:			
Financial investment		-	-
Non-current assets		169	1 897
Other inflows		-	-
Expenses to purchase:			
Financial investment		-	-
Non-current assets		(91 532)	(259 264)
Net cash flow from investment activity		(91 363)	(257 367)
III. Cash flow from financing activities			
Inflows from:			
Equity		-	-
Receipt of loans	19	-	-
Expenses to repay interest for using a leased property	32	(2 981)	(3 096)
Outflows for:			
Granting of loans		-	-
Repayment of loans	25	-	(216 450)
Net cash flow from financing activities		(2 981)	(219 546)
Net cash flow for the reporting period		68 739	(87 904)
Opening cash balance	16	147 027	259 643
Effect of changes in exchange rates on cash balances		5 879	(24 712)
Closing cash balance	16	221 645	147 027

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

General Director

Stropus Audrius

Chief Accountant

Yartseva Tetiana Volodymyrivna

Notes on pages 7-45 are an integral part of the financial statements.

FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS
As at December 2022 and for the year then ended
(in thousands of UAH)

STATEMENT OF CHANGES IN EQUITY FOR 2022

	Registered capital	Additional capital	Uncovered loss	Total
Balance as at 01.01.2021	51 931	1 240 197	(8 537 930)	(7 245 802)
Net loss for the year and comprehensive loss 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)
Net profit for the year and comprehensive profit for the year	-	-	(3 509 822)	(3 509 822)
Other changes (Note 18)	-	354 131	(74 144)	279 987
Total changes in equity	-	354 131	(3 583 966)	(3 229 835)
Balance as at 31.12.2022	51 931	2 350 693	(11 801 759)	(9 399 135)

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

General Director



Stropus Audrius

Chief Accountant

Yartseva Tetiana Volodymyrivna

Notes on pages 7-45 are an integral part of the financial statements.

NOTES TO THE 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 Shevchenkivskiyi District State Administration in Kyiv on November 16, 1999, and has one owner as of December 31, 2022:

	2022	2021
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. Andreas Sernetz, Austria, and Gillen Philipp Andrew, Ireland.

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 filling stations,
- Sale of jet fuel (refueling of aircraft),
- Sale of related products through the network of filling stations.

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

During 2022, the average number of employees was 1 913 persons (2021: 2130 persons).

The financial statements of the Company for the year ended December 31, 2022 were approved by the Company’s management on September 30, 2023.

2. OPERATING ENVIRONMENT IN UKRAINE

The Company operates in Ukraine. 2022 was the most difficult year for Ukraine since its independence. The full-scale war unleashed by Russia has had an unprecedented impact on the lives of every Ukrainian, business, and the country's economy as a whole.

On February 24, 2022, the President of Ukraine, based on the proposal of the National Security and Defence Council of Ukraine, introduced martial law in accordance with the Constitution of Ukraine and the Law of Ukraine “On the Legal Regime of Martial Law”, which was extended as at the date of approval of these financial statements.

From the beginning of the full-scale invasion of the aggressor country, the Company decided to help Ukraine in every possible way in its fight against the Russian Federation. Since the first days of the country's struggle for independence and freedom, the Company has been providing military units and other law enforcement agencies with the most basic needs - fuel. Given the first days of Russia's attacks and the attempts of enemy military groups to reach Kyiv, in February-March 2022, the Company joined the strategic defence of the capital. Thus, having noticed Russian military units on the outskirts of the Company's oil depot in the village of Borodianka, Kyiv region, the management decided to prevent the capture of the oil depot and the Russian military's access to oil products. There was a clear understanding that it was necessary to prevent enemy groups from arranging logistics. Therefore, the Company's management promptly provided the GPS coordinates of the Company's oil depot in the village of Borodyanka to the respective government agencies and informed the government representatives about the large amount of oil products at the depot. Almost a day later, after the exact location of the oil depot was provided to the Ukrainian military, as a result of a munition hitting the fuel tank, a fire broke out, preventing Russian troops from approaching the fuel at the oil depot. Four tanks with oil products were engulfed in flames. The prompt actions and decision-making of the Management ensured that the Company achieved its goal: the Russian troops did not get the oil products and the enemy groups were stopped on the outskirts of the capital. As a result of the strategic decisions and actions of the Management to repel the aggressor country, the Company lost four tanks, drop structures, pumps and other technological equipment, and oil products in the tanks amounting to UAH 86.7 million were burnt.

But despite the losses caused by the full-scale invasion, the Company keeps on helping various units of the Armed Forces of Ukraine, state authorities, military administrations and various charitable organisations. The Company has already donated almost 300,000 litres of fuel and keeps supporting the military.

NOTES TO FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

As at December 31, 2022 and for the year then ended
(in thousands of UAH)

Since the beginning of the full-scale invasion, the Company has been supporting on a regular basis the 242nd Separate Territorial Defence Battalion and other military units, where 88 employees of the Company serve. The Company has already delivered: 8 cars; 55 units of various military equipment: quadcopters, thermal imagers, binoculars, Wi-Fi access points; secured tablets; 150 gas heaters; about 200 units of winter clothing and footwear; 200 power banks with a capacity of 20 thousand mAh; a Motorola SLR5500 duplex kit (VHF 136-174MHz) and a hardware complex for suppressing UAV control channels. The Company keeps on paying the average salary to each mobilised employee, despite the fact that since July 19, 2022, the state has exempted employers from the obligation to pay salaries to mobilised employees, and the additional average monthly support to the country's defenders amounts to UAH 1.6 million in payments to the country's defenders, including taxes to the budget of Ukraine.

In December 2022, the Company launched the Unbreakable Coffee charity initiative to rebuild Ukraine, under which UAH 2 from each hot drink sold at the gas station will be transferred to rebuild Kherson, Luhansk, Donetsk and Zaporizhzhia regions. The Company is already communicating with representatives of the state authorities in Kherson and Zaporizhzhya regions to identify the site and initiate reconstruction.

The Company suffered significant losses from Russia's military aggression in 2022, as did most businesses in Ukraine. As of the date of the financial statements, the estimated losses of the business exceeded EUR 20 million.

Since Russia's full-scale invasion into Ukraine, the aggressor has damaged or destroyed 36 filling stations and the oil depot in Borodyanka, including 19 filling stations that are still located at the temporarily occupied territories with limited information on their status. Since the full-scale invasion, 13 filling stations in different regions of Ukraine have been repaired and are now operating. The last station to be put into operation after the reconstruction works was a gas station in the de-occupied city of Kherson.

At the moment, the Company keeps investing in the development of gas station stores, investing in the development of this particular business line on a daily basis, creating additional jobs.

However, the operating environment in Ukraine is still challenging: the war is ongoing and Russia keeps using terror tactics. Large-scale shelling of populated areas and the destruction of infrastructure increase risks to the economy and financial stability.

In 2022, Ukraine's defence forces fully liberated Mykolaiv region, almost all of Kharkiv region and a significant part of Kherson region, including the regional centre, the only one captured since February 24, 2022. Fierce fighting is still taking place in Donetsk and Luhansk regions. The enemy had to declare a partial mobilisation to deter the Ukrainian army's advance. Russia is also more actively attacking critical infrastructure, including energy facilities. Russia is trying to use energy and food shortages in certain markets as a weapon. However, these actions only strengthen the international coalition of states against the aggressor.

Ukraine's economy has been slowly recovering from a sharp decline in the first half of 2022 as a result of large-scale Russian aggression, but the destruction of businesses and infrastructure due to Russian shelling, difficulties in exports due to the blockade of ports, and power outages have all had a negative impact on Ukraine's gross domestic product in 2022. This year, GDP fell by 29.2 percent, and next year it will grow more slowly than predicted before the massive missile attacks.

At the end of 2022, inflation in Ukraine was 26.6 per cent. The main drivers of price growth are supply factors: the destruction of production facilities, logistics disruptions, rising production costs, and a limited supply of certain goods. The July adjustment of the hryvnia exchange rate against the US dollar and the high growth rate of global prices also contributed to inflation. The June increase in the key policy rate to 25% per annum and its gradual transmission to market rates, depressed demand, and the fixing of utility tariffs restrained price pressures. Most of these factors will slow inflation in 2023. However, the destruction of energy infrastructure will increase pressure on prices.

The official hryvnia/dollar exchange rate was reduced by 25% at the end of July 2022, to UAH 36.57 to the dollar. This decision, together with the adjustment of currency restrictions, a gradual increase in market rates in response to the June key policy rate hike, and the launch of the "grain corridor", eased pressure on the FX market. However, the FX market is still unable to balance on its own, and demand for foreign currency from businesses and households is still high. At the same time, thanks to unprecedented assistance from our partners, international reserves exceeded pre-war levels at the end of the year.

The approved state budget for the next year envisages revenues being half as much as expenditures, with a deficit of around 21% of GDP. The main expenditures are consistently driven by security and

defence and social protection needs. The significant deficit is expected to be covered by the European Union's support for 2023 and the expected significant amounts of aid is from the United States. In August, the Ministry of Finance of Ukraine postponed payments on sovereign Eurobonds for two years and amended the terms of government derivatives (GDP warrants), reducing the financing needs. The government's payments under these instruments were to amount to about USD 6 billion over the next two years. At the same time, the NBU is stepping up domestic borrowing to mitigate budget risks, which also significantly reduces the risk of issuing debt.

The scale and protracted nature of the war in Ukraine further increase risks to the global economy. War-related inflation and the corresponding tightening of monetary policy are slowing down economies and threatening Ukraine's key partners with recession. However, financial, military and humanitarian aid to Ukraine is only increasing, as is the sanctions pressure on Russia. Prices on global commodity markets have slightly declined after record levels in the first half of the year.

The war has resulted in losses of physical capital from the destruction of businesses, housing and infrastructure. The loss of human capital due to migration and deaths is also very significant. Given the high level of uncertainty, investment activity has effectively been suspended. It may take quite a long period of time for the economy to recover from the effects of the war and require assistance from international partners.

The impact of the war on the current situation of the Company and management's assessment of going concern are disclosed in Note 3.

3. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

Statement of compliance

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

Basis of presentation

The financial statements were prepared on the historical cost basis.

Reporting period

The financial statements were prepared as at December 31, 2022 and cover the period from January 01 to December 31, 2022. The 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 financial statements are presented in Ukrainian Hryvnia ("UAH"). All amounts are rounded to the nearest thousand unless otherwise stated.

Going concern assumptions of the Company

The 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, 2022, the Company has negative equity of UAH 9 399 135 thousand (December 31, 2021: UAH 6 169 300 thousand), and current liabilities exceed its current assets by UAH 1 733 125 thousand (December 31, 2021: current liabilities are less than its current assets by UAH 739 965 thousand). The Company generated net profit of UAH 3 509 822 thousand for the year ended December 31, 2022 (net loss for the year ended December 31, 2021 amounted to UAH 320 141 thousand). Positive cash flow from operating activities for 2022 amounted to UAH 163 083 thousand (positive cash flow from operating activities for 2021 amounted to UAH 389 009 thousand).

The 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 2 "Operating environment in Ukraine", 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

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.

Geographically, 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 certain number of the Company's employees joined the Armed Forces of Ukraine and territorial defence.

Management has prepared updated financial forecasts, including cash flow forecasts, for twelve months from the date of approval of the financial statements, considering the most probable and possible negative scenarios of the effects of military aggression on the Company's operations.

Management determined the following scenarios for modelling:

- Basic scenario. The military aggression and active hostilities will end in 2023; during this time, Ukraine will regain control of all the territories controlled before February 24, 2022; Ukrainians will gradually return to the country.
- Optimistic scenario. Ukraine wins by the end of 2024, regains control of all temporarily occupied territories and returns to the borders of 1991; Ukrainians will actively return to Ukraine. The country's rapid reconstruction will begin.
- Negative scenario. Active hostilities will continue and the enemy will make little progress in some areas of the frontline over the next 24 months; international support for Ukraine may decrease; intensive labour outflows will take place.

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

Negative scenario

Given the high degree of uncertainty related to the development of hostilities, their results, intensity, impact on the population and businesses in the areas of hostilities, their intensification and transfer 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 assess and calculate all material consequences for the Company's operations as a result of the negative scenario.

Given the significant reduction in the geographical areas of hostilities in April 2022 and the successful offensive of the Armed Forces of Ukraine and progress in Kharkiv, Donetsk and Kherson directions during 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 financial statements, the Company's management believes that the implementation of the negative scenario is unlikely.

Basic scenario

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

- No further advancement of Russian troops into the territory of Ukraine and no further escalation of hostilities that could seriously affect the assets and operations of the Company.
- Stable supplies of petroleum products from European suppliers, no fuel shortages.
- Partial return of Ukrainians to the country and increased fuel sales.
- Increased demand due to the resumption of operations of large enterprises.
- 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 operations. In the basic scenario, the Company will not need external working capital financing. The basic scenario was developed based on the actual results of 2022, adjusted for the

sharp rise in foreign exchange rates and losses due to asset write-offs that are not expected 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 increased.
- Continuous fuel supply, no shortages.
- Active return of Ukrainians and growing demand for petroleum products among the population.
- Reconstruction of hospitals, schools, kindergartens, critical infrastructure and industrial facilities, which will increase the need for fuel for companies involved in the country's recovery.
- Full reconstruction of destroyed and damaged filling stations.
- Partial resumption of air travel and demand for fuel for air travel, not only for cargo but also for passenger traffic.

The results of the modelling based on the optimistic scenario indicate that, given the growth in demand at the Ukrainian market and the absence of fuel shortages, the Company has sufficient economic resources to continue its operations in the near future.

The full extent of the impact of further development of the military aggression on the Company's operations is unknown, but it may 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 and it has limited tools to mitigate such risks (bankruptcy and insolvency of market participants, changes in exchange rates, changes in the cost of goods and services due to inflation, etc.) therefore, the estimates and assumptions used by management to forecast the impact of military aggression on the financial position and operations of the Company may change significantly in the future due to possible changes in circumstances.

While accepting the existence of material uncertainty relating to the consequences of a full-scale military aggression that may affect the Company's ability to continue as a going concern, and given the management's expectations set out in the forecast scenarios, management believes that it is appropriate to prepare the accompanying financial statements on the going concern basis. Therefore, it is assumed that the Company has neither the intention nor the need to liquidate or significantly reduce the scope of its activities.

Detailed information about the impact of the military aggression on the operating environment and activities of the Company is described in Note 2 "Operating environment in Ukraine".

In view of the foregoing, the financial statements have been prepared on a going concern basis, i.e. on the basis of management's belief that the Company will continue in business and operations for the next 12 months from the date of these financial statements.

Management is unable to predict all developments that could affect the economy as a whole and what effect they might have on the future financial position of the Company. Management believes it is taking all the measures necessary to support the sustainability and development of the Company.

The financial statements do not include any adjustments that might be necessary as a result of such uncertainty. Such adjustments will be disclosed when they become known and can be reasonably estimated.

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 mitigate the possible consequences.

On June 08, 2022, a criminal proceeding was registered on the grounds of criminal offences under Art. 212 of the Criminal Code of Ukraine (intentional tax evasion) and Art. 209 of the Criminal Code of Ukraine (legalisation of the proceeds from 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. As part of the pre-trial investigation, measures to ensure criminal proceedings in the form of arrest were taken: On 14.07.2022, for 100% of the share capital of the Company owned by AMIC Energy Management GmbH (Austria); on 03.08.2022, for a trademark (certificate No. 265078) and real estate owned by the Company.

All arrests were imposed without prohibition of use, so the Company has no restrictions on the daily operations of the filling stations and customer service. At the time of preparation of this report, the Company has not received any official calculations (agreed tax assessment notice, expert opinion, etc.) in the criminal proceedings regarding the taxes or other mandatory payments that the Company has evaded and the amount of such payments. Based on the results of the Company's tax audits during 2015-2022, no tax violations in the areas of business activities referred to by the law enforcement agency were identified. The Company believes that the criminal proceedings are unfounded, and the allegations of 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 taxes paid per 1 litre of fuel sold, and, despite the deferral of mandatory payments introduced under martial law, keeps paying taxes in good faith. The Company is one of the few oil trading companies that fully concentrates on its business network.

The Company is cooperating with the Bureau of Economic Security of Ukraine and the Prosecutor General's Office to establish the facts 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 pre-trial investigation stage without notifying any person of suspicion and without bringing charges.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements requires Management to make estimates and assumptions that affect the amounts presented in the financial statements. These assumptions are based on information known at the date of approval of the financial statements. Actual results may differ from such estimates. The main estimates for the 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 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.

NOTES TO FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

As at December 31, 2022 and for the year then ended
(in thousands of UAH)

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, 2022, 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 2022, 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, 2021	27.2782	30.9226
December 31, 2022	36.5686	38.9510

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 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

NOTES TO FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

As at December 31, 2022 and for the year then ended
(in thousands of UAH)

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.

Investments in subsidiaries

Investments in subsidiaries are accounted for in the 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, expected 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 – filling 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 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 financial statements are classified as described below under the fair value hierarchy based on the lowest level inputs that 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 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 2021-2022, 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.

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.

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 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 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 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.

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

Significant financing component

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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 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 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.

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

New and revised standards and interpretations to be applied by the Company

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, 2022. The information on new and revised standards and interpretations that the Company first applied from January 01, 2022 is as follows.

Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework

These amendments 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 did not have any impact on the Company's financial statements.

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

The amendments to IAS 16 prohibit the entities 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 did not have any impact on the Company's financial statements.

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

The 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 did not have any impact on the Company's 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 of the International Financial Reporting Standards

Under the amendment, subsidiaries, associates and joint ventures are permitted to measure accumulated foreign currency differences using the amounts reported in the parent's financial statements based on the date of transition to IFRS. These amendments did not have any impact on the Company's financial statements.

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

The amendment clarifies which fee and commission amounts an entity considers when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These amounts include only fees paid or received between a specific lender and borrower and fees paid or received by a lender or borrower on behalf of another party. This amendment did not have any impact on the Company's financial statements.

Amendment to IAS 41 Agriculture – Taxation in Fair Value Measurements

The amendment requires that taxation be included in the calculation of cash flows when measuring the fair value of assets within the scope of IAS 41. This amendment did not have any impact on the Company's 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 IAS 1 Presentation of Financial Statements – Classifying Liabilities as Current and Non-current

The amendments specify that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must be substantive and must exist at the end of the reporting period. The classification of a liability is not affected by the likelihood that an entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period.

The amendments are effective for periods beginning on or after January 01, 2024. The amendments are to be applied retrospectively, with early adoption permitted. The amendments may have an impact on the classification of liabilities in the Company's statement of financial position.

Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants

After the publication of the amendments to IAS 1 on the classification of liabilities as current or non-current, the IASB made additional amendments to IAS 1 in October 2022. Under these amendments, only covenants that an entity must comply with at or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity is required to provide disclosures in notes that enable users of financial statements to understand the risk that non-current covenant liabilities may be settled within twelve months.

The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments are to be applied retrospectively, with early adoption permitted. The amendments may have an impact on the classification of liabilities in the Company's statement of financial position.

Amendments to IAS 8 – Definition of accounting estimates

Amendments 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 if disclosure of this fact is made. These amendments are not expected to have any impact on the Company's 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 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 financial statements.

Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback

In June 2020, the IFRS Interpretations Committee adopted an agenda decision on “Sales and leaseback with variable payments”. This issue was referred to the IASB, which issued amendments to IFRS 16 in September 2022. The amendments require a seller-lessee to define “lease payments” or “revised lease payments” in such a way that the seller-lessee does not recognize any amount of gain or loss related to the right of use retained by the seller-lessee.

The amendments are effective for annual periods beginning on or after January 01, 2024. Early adoption is permitted. These amendments are not expected to have a material impact on the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS
As at December 31, 2022 and for the year then ended
(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, 2022 has changed as follows:

Initial cost:	
As at December 31, 2020	9 175
Additions	4 481
Disposals	-
As at December 31, 2021	13 656
Additions	127
Disposals	(1 208)
As at December 31, 2022	12 575
Accumulated depreciation and impairment	
As at January 01, 2021	(8 275)
Depreciation charges	(851)
Disposals	-
As at December 31, 2021	(9 126)
Depreciation charges	(1 690)
Impairment	(19)
Disposals	1 208
As at December 31, 2022	(9 627)
Residual value:	
As at December 31, 2020	900
As at December 31, 2021	4 530
As at December 31, 2022	2 948

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

	December 31, 2022	December 31, 2021
Residual value of property, plant and equipment	1 399 652	1 641 346
Construction in progress	12 031	13 924
	1 411 683	1 655 270

Changes in property, plant and equipment for the year ended December 31, 2022 and December 31, 2021 were as follows:

	Land	Buildings, facilities	Machines and equipment	Vehicles	Other	Construction in progress	Total
Cost:							
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
Additions	-	34 893	16 011	5 056	2 031	-	57 991
Acquisition of a subsidiary	-	643	-	-	-	-	643
Disposals	-	(36 140)	(10 473)	(560)	(771)	(1 893)	(49 837)
As at December 31, 2022	352 521	1 415 328	427 105	13 927	60 916	12 031	2 281 828
Accumulated depreciation and impairment							
As at December 31, 2020	-	(289 941)	(145 241)	(3 850)	(12 882)	-	(451 914)
Accruals	-	(110 174)	(50 275)	(953)	(9 325)	-	(170 727)
Transfers	-	-	-	-	-	-	-
Disposals	-	219	3 054	1 415	192	-	4 880
As at December 31, 2021	-	(399 896)	(192 462)	(3 388)	(22 015)	-	(617 761)
Accruals	-	(112 585)	(46 036)	(1 391)	(10 095)	-	(170 107)
Impairment	(3 912)	(73 306)	(18 834)	(274)	(3 169)	-	(99 495)
Addition of depreciation of a subsidiary	-	(546)	-	-	-	-	(546)
Disposals	-	10 065	6 753	488	458	-	17 764
As at December 31, 2022	(3 912)	(576 268)	(250 579)	(4 565)	(34 821)	-	(870 145)
Residual value:							
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
As at December 31, 2022	348 609	839 060	176 526	9 362	26 095	12 031	1 411 683

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, 2022 is amounted to UAH 110 610 thousand, as of December 31, 2021 – UAH 95 917 thousand.

NOTES TO FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS
As at December 31, 2022 and for the year then ended
(in thousands of UAH)

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, 2022 and December 31, 2021 has changed as follows:

	Rights to use the leased object	Total
Cost:		
As at December 31, 2020	22 386	22 386
Additions		
Disposals	-	-
As at December 31, 2021	22 386	22 386
Additions		
Disposals	-	-
As at December 31, 2022	22 386	22 386
Accumulated depreciation and impairment		
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)
Depreciation charges	(3 731)	(3 731)
Disposals	-	-
As at December 31, 2022	(18 655)	(18 655)
Residual value:		
As at 31 грудня 2020	11 193	11 193
As at December 31, 2021	7 462	7 462
As at December 31, 2022	3 731	3 731

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

	2022	2021
Rental income	10 638	12 894
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

As of the beginning of 2022, the Company had investments in the share capital of companies-residents in Ukraine.

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

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 CFI AMIC UKRAINE. 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 Amic Aviation Ukraine LLC decided to terminate this company by reorganization and accession to CFI AMIC 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.

During 2022, subsidiaries were merged into CFI AMIC Ukraine.

On February 16, 2022, the Transfer Act of balance sheet accounts, valuables and assets from AMIC AVIA OIL LLC to the successor of CFI AMIC Ukraine was drawn up. The total amount of assets merged is UAH 7,295 thousand. The major asset items are “Accounts receivable” in the amount of UAH 4,171 thousand and “Receivables from settlements with the budget” in the amount of UAH 3,045 thousand.

NOTES TO FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS
As at December 31, 2022 and for the year then ended
(in thousands of UAH)

On July 21, 2022, the Transfer Act of balance sheet accounts, valuables and assets from AMIC AVIATION UKRAINE LLC to the successor of CFI 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, amendments were made to the Transfer Act of balance sheet accounts, valuables and assets from AMIC AVIATION UKRAINE LLC to the successor of CFI AMIC UKRAINE. The total amount of assets merged is UAH 6,668 thousand. The major item is "Receivables from settlements with the budget" in the amount of UAH 6,523 thousand.

The carrying amounts of these investments are disclosed below:

	December 31, 2022	December 31, 2021
Amic Avia Oil LLC	-	4 342

During 2022:

- in respect of the investment in Amic Avia Oil LLC neither income from equity participation nor impairment losses on financial investments were recognised, the investment in the amount of UAH 4,342 was written off to retained profit/loss on the acquisition.
- in respect of the investment in Amic Aviation Ukraine LLC neither income from equity participation nor impairment losses on financial investments were recognised, as the carrying amount of the investment as at 01.01.2022 is zero.

During 2021:

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

11. RIGHT-OF-USE ASSETS

As of December 31, 2022 and December 31, 2021:

- 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 filling station, office premise, filling 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, 2022 is as follows.

	Land	Buildings, facilities	Total
Initial cost:			
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
Additions	-	17 187	17 187
Disposals	-	(307)	(307)
As at December 31, 2022	1 140	39 573	40 713
Accumulated depreciation			
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)
Depreciation charges	(212)	(3 731)	(3 943)
Disposals	-	119	119
As at December 31, 2022	(909)	(18 655)	(19 564)
Residual value:			
As at December 31, 2020	-	11 223	11 223
As at December 31, 2021	443	7 650	8 093
As at December 31, 2022	231	20 918	21 149

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Expenses under lease agreements for 2022 are as follows:

	2022	2021
Interest expense, included in financial expenses	2 981	3 096
Accrued depreciation for the year	3 943	3 956
Short-term lease costs	4 366	7 421
Cost of low-cost lease	6 750	9 492
Variable lease payments recognized as expense	25 123	30 394

Information on lease liabilities is disclosed in Note 20.

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

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, 2022	December 31, 2021
Goods in stock	777 939	685 476
<i>Including</i>		
<i>Petroleum products at oil depots and storage warehouses</i>	333 284	347 664
<i>Petroleum products at the filling station</i>	359 682	252 767
<i>Non-fuel products in filling station stores</i>	84 973	85 045
Production inventories	7 768	8 418
	785 707	693 894

In 2022, shortages of oil products in the amount of UAH 107 910 thousand and related goods in the amount of UAH 12 752 thousand, including the results of losses due to the russian aggression (2021:

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shortages of petroleum products in the amount of UAH 10,946 thousand and related products in the amount of UAH 8,742 thousand were written off).

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, 2022	December 31, 2021
Receivables for goods, works and services, including	36 011	87 797
<i>Receivables for goods, works and services</i>	37 122	87 995
<i>Expected credit losses on receivables for goods, works and services</i>	(1 111)	(198)
Other current receivables, including	3 410	9 360
<i>Other current receivables</i>	8 403	14 110
<i>Expected credit losses on other receivables</i>	(4 993)	(4 750)
Total receivables for goods, works, services and other receivables	39 421	97 157

Receivables for goods, works and services by maturity dates as of December 31, 2022, December 31, 2021 are as follows:

	December 31, 2022			
	Total cost	Expected credit losses	Total	Expected credit loss ratio
Not overdue	29 939	-	29 939	-
Deferred payment up to 30 days	143	-	143	-
Deferred payment up to 31-180 days	1 027	-	1 027	-
Delayed payment up to 181-360 days	5 781	(954)	4 827	0.165
Delayed payment for more than 1 year	232	(157)	75	0.678
TOTAL	37 122	(1 111)	36 011	0.03

	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

Changes in the allowance for expected credit losses on accounts receivable and advances issued were as follows:

	Accounts receivable for goods, works, services	Other accounts receivable	Total
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
Loss from impairment of receivables	944	243	1 187
Receivables written off against the allowance	(31)	-	(31)
As at December 31, 2022	1 111	4 993	6 104

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14. ACCOUNTS RECEIVABLE ON ADVANCES MADE

	December 31, 2022	December 31, 2021
Receivables on advances made for:		
Petroleum products	155 883	122 949
Services for purchase of petroleum products	13 685	10 335
Other	77 402	26 080
Expected credit losses on petroleum products	(104 378)	-
	142 592	159 364

15. RECEIVABLES FROM BUDGET

	December 31, 2022	December 31, 2021
Receivables from budget:		
VAT	36 886	32 675
Income tax	307	304
Other taxes	5 087	-
	42 280	32 979

16. CASH AND CASH EQUIVALENTS

As at December 31, 2022 and December 31, 2021 cash and cash equivalents included:

	December 31, 2022	December 31, 2021
Cash on hand	14 475	7 675
Cash in bank	181 169	113 003
Cash in transit	26 001	26 349
	221 645	147 027

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, 2022	December 31, 2021
UAH	221 637	115 556
USD	-	10 710
EUR	8	20 761
	221 645	147 027

17. OTHER CURRENT ASSETS

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

	December 31, 2022	December 31, 2021
VAT paid at customs – tax credit for the next period	1 221	664

18. CAPITAL

Authorized capital

As at December 31, 2022 and December 31, 2021, 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, 2022		December 31, 2021	
	%	Amount	%	Amount
AMIC ENERGY MANAGEMENT GmbH	100,00%	51 931	100,00%	51 931

The Company neither accrued nor paid dividends in 2022 and 2021.

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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, 2022 is UAH 2 350 693 thousand (as at December 31, 2021: UAH 1 996 562 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. In this regard, a discount in the amount of UAH 350 243 thousand was accrued.

As a result of the merger of CFI AMIC Ukraine with AMIC AVIATION Ukraine LLC, a discount of USD 106 thousand was accrued in the transfer balance sheet, which is equivalent to UAH 3,889 thousand. The discount was recognised directly in equity.

Accumulated loss

The amount of uncovered loss as at December 31, 2022 is UAH 11 801 759 thousand (as at December 31, 2021: UAH 8 217 793 thousand).

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, 2022 interest-bearing loans and borrowings included:

	Curren cy	Rate 2021/2022	Maturity date	December 31, 2022	December 31, 2021
Long-term					
<i>Fixed interest rate</i>					
AMIC Energy Management GmbH	USD	0%	20.12.2024	8 753 092	6 529 334
AMIC Energy Management GmbH	USD	0%	31.05.2025	3 704 399	2 763 282
AMIC Energy Management GmbH	USD	1,50%	20.12.2024	73 137	-
Less: current part of long-term interest loans and borrowings	USD		20.12.2024	(2 925 488)	-
Accrued discount	USD			(593 691)	(802 694)
				9 011 449	8 489 922
Current					
Current part of interest loans	USD	0%	20.12.2023	2 925 488	-
Liabilities on accrued interest on loans and borrowings	USD			21 861	7 586
Accrued discount	USD			(364 979)	-
				2 582 370	7 586
Total liabilities on interest-bearing loans and borrowings				11 593 819	8 497 508

An additional agreement to the agreement 11/18 dated 21.11.2011 was signed on 11.05.2021 with AMIC Energy Management GmbH, which provides for maturity of the loan on 31.05.2025, and therefore a discount of USD 11,972 thousand was accrued, which is equivalent to UAH 350,243 thousand. The discount was recognised directly in equity.

20. LEASE LIABILITIES

Lease liabilities are discounted cash flows under long-term leases. As at 31.12.2022 the Company has lease liabilities to legal entities in respect of leases for office premise and filling station area.

	December 31, 2022	December 31, 2021
Lease liabilities	32 076	19 751
Less short-term lease liabilities	(5 720)	(9 160)
Long-term lease liabilities	26 356	10 591

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In 2022 interest accrued on liabilities under lease agreements in the amount of UAH 2 981 thousand (2021: UAH 3 096 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.

21. TRADE PAYABLES

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

	December 31, 2022	December 31, 2021
Settlements with domestic suppliers	179 350	88 056
Settlements with foreign suppliers	9 851	105 317
	189 201	193 373

Terms of purchase of goods and services and payment for purchases did not change significantly 2022 and 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, 2022 consist of debt:

	December 31, 2022	December 31, 2021
Accounts payable on settlements with budget, including	1 752	8 706
Excise tax	319	2 007
Individual income tax	1 221	2 875
VAT	-	-
Other taxes	212	3 824
Accounts payable from insurance	2 443	3 747
Accounts payable from remuneration of labor	11 731	16 313
Accounts payable on advances received	74 902	102 178
	90 828	130 944

The item "Accounts payable on advances received" reflects liabilities on contracts with customers; the amount of such liabilities as of December 31, 2022 is UAH 74 902 thousand (as of December 31, 2021 – UAH 102 178 thousand). The Company's liabilities under contracts with customers are short-term; as such, all advances received on January 01, 2022 and January 01, 2023 were reflected in 2022 and 2021 revenue.

23. CURRENT PROVISIONS

Current provisions as at December 31, 2022 consist of the following:

	December 31, 2022	December 31, 2021
Current provisions for vacation pay	30 435	31 970
Current provisions for annual premium	21 970	14 990
Current provisions for retirement benefits	3 468	603
Current provisions for staff redundancies	-	-
Current provisions for litigation	4 228	1 881
Current provisions for asset impairment	20 632	-
	80 733	49 444

24. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, consist of:

	December 31, 2022	December 31, 2021
Short-term loans	-	-
Interest payable	21 861	7 586
Other	17 139	613
	39 000	8 199

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

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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, 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:					
additions	-	-	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
Return	-	-	-	-	-
December 31, 2021	-	8 497 508	10 592	9 159	8 517 259
Cash flows:					
additions	-	-	-	-	-
repayment	-	-	-	(7 541)	(7 541)
Payment of interest	-	-	-	-	-
Non-cash transactions:					
additions	-	66 795	17 188	-	83 983
Reclassification	2 560 509	(2 560 509)	(1 225)	1 225	-
Change in exchange rates	-	2 880 746	-	-	2 880 746
Accrued interest	-	500	-	2 981	3 481
Debt forgiveness	-	-	-	-	-
Accrual of discount	-	(354 132)	-	-	(354 132)
Write off of discount	-	-	-	-	-
Discount amortization	-	502 402	-	-	502 402
Return	-	-	(188)	-	(188)
Revenue	-	-	(11)	(104)	(115)
December 31, 2022	2 560 509	9 033 310	26 356	5 720	11 625 895

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 filling 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.

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The following month's fuel discount was provided on the following scale:

Accumulated liters for current month	Gasoline / Diesel fuel	Liquefied gas
	UAH/l with VAT	UAH/l with VAT
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, 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	-	-
Charged for 2022	-	-
Used	-	-
Written off provision due to changes in conditions	-	-
Provision for loyalty as at December 31, 2022	-	-

27. SALES REVENUE

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

	2022	2021
Sale of goods	8 481 852	11 039 672
Loyalty program	-	26 892
Services provided	20 433	43 258
	8 502 285	11 109 822

Revenues from sales of goods can be represented as follows:

	2022	2021
Retail sale of petroleum products	6 954 464	8 581 055
Wholesale of aviation fuel and petroleum products	794 022	1 671 352
Retail sale of non-combustible goods	733 366	787 265
	8 481 852	11 039 672

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.

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".

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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, and other airports, where it buys refueling services from other companies of aviation fuel supplying subjects. Aviation fuel is sold both on prepayment and deferred payment terms.

On February 24, 2022, by the Decree of the President of Ukraine No. 64/2022/2022-02-24 “On the Introduction of Martial Law in Ukraine”, martial law was introduced in Ukraine. In its turn, starting from 2.45 a.m. Kyiv time, the JCMS of Ukraine (UkSATSE), in accordance with the requirements of the Air Code of Ukraine and the Regulations on the Use of Airspace of Ukraine, took urgent measures to close the airspace of Ukraine to civilian air traffic users. The provision of air traffic services to civilian users of Ukrainian airspace was suspended.

Business entities engaged in airport activities, such as airports, commercial airport service providers, and aviation fuel supply companies, ceased operations at civilian airports and airfields across the country.

Retail sales of non-fuel goods (food, non-food and café groups) are carried out in filling station shops.

28. COST OF SALES

Cost of sales for the year ended December 31 included:

	2022	2021
Retail sale of petroleum products	5 917 405	7 489 922
Wholesale of petroleum products and aviation fuel	731 796	1 564 513
Retail sale of non-fuel goods	535 849	569 254
	7 185 050	9 623 689

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:

	2022	2021
Wages and payroll	81 423	74 037
Provision	20 006	15 674
Depreciation charges	8 929	8 644
Audit and other professional services	25 092	8 682
IT services	8 824	7 975
Expenses under short-term and low-value lease agreements	2 896	4 240
Management costs	2 343	3 502
Other expenses	2 550	3 186
Utilities	4 033	3 590
Travel expenses	950	2 128
Banking services	511	407
Representation costs	146	250
	157 703	132 315

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30. DISTRIBUTION COSTS

Distribution costs for the year ended December 31, included:

	2022	2021
Wages and payroll	330 936	383 767
Amortization	170 542	170 621
Transportation costs	114 806	146 955
Utilities	55 651	70 138
Fuel and materials	24 017	42 332
Taxes and duties	37 943	47 889
Technical servicing	27 166	56 121
Banking services	35 216	47 579
Provision	43 946	26 808
Aircraft refueling	2 371	19 306
IT services	10 360	13 666
Advertising	6 468	15 344
Security	10 815	11 928
Other expenses	24 435	16 034
Storage costs	1 546	9 196
Expenses under short-term and low-value lease agreements	8 220	12 673
Consulting and other services	978	4 556
Airport infrastructure services	564	3 718
Brand, licenses	9 088	10 670
Travel expenses	981	1 758
	916 049	1 111 059

31. OTHER OPERATING INCOME AND EXPENSES

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

	2022	2021
<i>Other operating income</i>		
Result from debts written off	-	141
Result from change of exchange rates	549	-
Rental income	15 587	20 762
Result from sale of property, plant and equipment	186	1 744
Other operating income	2 608	1 862
	18 930	24 509
<i>Other operating expenses</i>		
Result from change of exchange rates	-	23 618
Inventories written off	125 169	19 688
Allowance for doubtful debts	105 574	41
Other operating expenses	30 156	4 748
Fines and penalties	87	231
Asset impairment	20 631	-
Result from sale of currency	22 487	511
	304 104	48 837

32. OTHER FINANCIAL INCOME AND EXPENSES

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

	2022	2021
<i>Other financial income</i>		
Interest income on cash balances on accounts	8 025	1 005
	8 025	1 005
<i>Financial expenses</i>		
Amortization of discount of long-term debt	502 401	421 704
Loan related financial expenses	500	3 566
Financial expenses for using leased property	2 981	3 096
	505 882	428 366

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33. OTHER INCOME AND EXPENSES

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

	2022	2021
<i>Other income</i>		
Forgiveness of accrued interest (Note 19)	-	173 084
The result of changes in exchange rates	-	323 038
Other income	18 287	34 222
Insurance indemnity	469	3 845
Non-reimbursable assistance	-	1 052
	18 756	535 241
<i>Other expenses</i>		
The result of changes in exchange rates	2 880 746	-
Residual value of non-current assets disposed of	30 165	264
Impairment of non-current assets	99 514	
	3 010 425	264

34. INCOME TAX GAIN/(EXPENSES)

The current corporate income tax rate in 2021-2022 was approved by the Tax Code of Ukraine at 18%. Deferred tax assets and liabilities as at December 31, 2022 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, 2022	Reported in net profit	December 31, 2021	Reported in net profit	December 31, 2020
Deferred tax assets					
Intangible assets	296	(15)	311	244	67
Deferred tax liabilities					
Property, plant and equipment	68 012	(21 410)	89 422	(3 242)	86 180
Net deferred tax liabilities	67 716	21 395	89 111	(2 998)	86 113

Income tax gains are stated as follows:

	2022	2021
Current income tax expenses	-	-
Deferred income tax	21 395	(2 998)
Income tax gain	21 395	(2 998)

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:

	2022	2021
Profit/(loss) before tax	(3 531 217)	323 139
Income tax/(loss) at the rate of 18%	(635 619)	58 165
Decrease (increase) of non-recognized tax losses	180 381	(144 053)
Expenses not included in gross ones	476 633	82 890
Income tax gain	21 395	(2 998)

Deferred tax assets not recognized in the financial statements:

	2022	Changes for the year	2021	Changes for the year	2020
Tax losses	813 209	180 381	632 828	(144 053)	776 881

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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 2022:

	Parent company	Subsidiaries	Other companies	Total
Purchases	-	-	-	-
Sales expenses	9 088	-	-	9 088
Financial expenses	500	-	-	500
	9 588	-	-	9 588

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

Debt as at December 31, 2022:

	Parent company	Subsidiaries	Other companies	Total
Accounts receivable for products, goods, works, services	-	-	-	-
Accounts receivable for advances made	-	-	-	-
Other long-term liabilities on loan without discount	9 605 140	-	-	9 605 140
Other current receivables	-	-	-	-
Current accounts payable on:				
Long-term liabilities	2 925 488	-	-	2 925 488
Goods, works, services	6 772	-	-	6 772
Current payables on advances received	-	-	-	-
Other current liabilities	21 861	-	-	21 861
	12 559 261	-	-	12 559 261

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

Loans received from related parties

As at December 31, 2022 and December 31, 2021 loans received by the Company from a parent company AMIC ENERGY MANAGEMENT GmbH (Austria), are presented as follows:

Type of loan	Interest rate 2022/2021	Currenc y	Maturity term	December 31, 2022	December 31, 2021
Long-term loan	0%	USD	20.12.2024	5 827 604	6 529 334
Long-term loan	0%	USD	31.05.2025	3 704 399	2 763 282
Long-term loan	1,50%	USD	20.12.2024	73 137	
Short-term debt on long-term loan	0%	USD	20.12.2024	2 925 488	-
Interest payable				21 861	7 586
Total loans from related parties				12 552 489	9 300 202

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, 2022 key management personnel comprised of 9 persons (2021: 10 persons) received the following remunerations:

	2022	2021
<i>Short-term employee benefits</i>		
Salary and bonuses	27 800	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, 2022, 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, 2022 and December 31, 2021, 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. From September 30, 2022, only compulsory civil liability insurance for up to 3 persons was extended. Voluntary property insurance does not cover losses caused by military operations or as a result of military operations.

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.

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, 2022 and December 31, 2021 are presented as follows:

	December 31, 2022	December 31, 2021
Financial assets		
<i>At amortized cost:</i>		
Long-term receivables	-	662
Cash and cash equivalents	221 645	147 027
Accounts receivable for products, goods, works, services	36 011	87 797
Other current receivables	3 410	9 360
	261 066	244 846
Financial liabilities		
<i>Financial liabilities at amortized cost</i>		
Long-term liabilities under loans	9 011 449	8 489 922
Long-term liabilities under lease agreements	26 356	10 591
Current debt on long-term liabilities	2 566 229	9 160
Current debt on loan interest	21 861	7 586
Current accounts payable for goods, works, services	189 201	193 373
Other current liabilities	17 139	613
	11 832 235	8 711 245

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, 2022 and December 31, 2021 is presented as follows:

	December 31, 2022	December 31, 2021
Long-term receivables	-	662
Cash and cash equivalents, net cash on hand	207 170	139 352
Accounts receivable for products, goods, works, services	36 011	87 797
Other receivables	3 410	9 360
Total financial assets	246 591	237 171

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, 2022 and 2021, interest expenses would increase by UAH 114 014 thousand and UAH 96 731 thousand, respectively. Reducing the interest rate by 100 basis points would reduce interest expenses by the same amount.

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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, 2022, December 31, 2021 is presented in national currency as follows:

	December 31, 2022		December 31, 2021	
	USD	EUR	USD	EUR
Assets				
Cash and cash equivalents	-	8	10 710	20 761
Trade receivables	-	2	13 367	19
Total assets	-	10	24 077	20 780
Liabilities				
Long-term liabilities under loan agreement	(9 011 449)	-	(8 489 922)	-
Short-term loans	(2 582 370)	-	(7 586)	-
Accounts payable for goods, works, services	-	(9 851)	(96 062)	(9 254)
Total liabilities	(11 593 819)	(9 851)	(8 593 570)	(9 254)
Net position	(11 593 819)	(9 841)	(8 569 493)	11 526

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, 2021, UAH	(856 949)	1 153
Profit/(loss) as at December 31, 2022, UAH	(1 159 382)	(984)

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, 2022 by maturity on the basis of contractual amounts of payments:

	Contractual cash flows				TOTAL
	Up to 3 months	Up to 6 months	Up to 12 months	More than a year	
Interest loans and borrowings	753 233	731 372	1 462 744	9 605 140	12 552 489
Current accounts payable for goods, works, services	189 201	-	-	-	189 201
Other current liabilities	17 139				17 139
Liabilities under lease agreements	1 348	1 348	2 696	26 684	32 076
	960 921	732 720	1 465 440	9 631 824	12 790 905

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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				TOTAL
	Up to 3 months	Up to 6 months	Up to 12 months	More than a year	
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
Interest loans and borrowings	204 349	2 777	5 554	9 303 839	9 516 519

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 manages its capital to ensure that the Company will be able to continue as a going concern, and the Company monitors its capital structure by controlling the ratio of equity and debt as follows:

	December 31, 2022	December 31, 2021
Total liabilities	12 552 489	9 300 202
Less cash and cash equivalents	(221 645)	(147 027)
Net debt	12 330 844	9 153 175
Total equity	(9 399 135)	(6 169 300)

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, 2022	In the statement of financial position	Level 1	Level 2	Level 3	TOTAL
Financial assets whose fair value is disclosed					
Long-term receivables	-	-	-	-	-
Cash and cash equivalents	221 645	-	221 645	-	221 645
Accounts receivable for products, goods, works, services	36 011	-	-	36 011	36 011
Other current receivables	3 410	-	-	3 410	3 410
	261 066	-	221 645	39 421	261 066
Financial liabilities whose fair value is disclosed					
Long-term liabilities under loan agreements	9 011 449	-	9 011 449	-	9 011 449
Current debt on long-term liabilities	-	-	-	-	-
Current debt on loans	2 582 370	-	2 582 370	-	2 582 370
Current accounts payable for goods, works, services	189 201	-	-	189 201	189 201
Other current liabilities	17 139	-	-	17 139	17 139
	11 800 159	-	11 593 819	206 340	11 800 159

NOTES TO FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

As at December 31, 2022 and for the year then ended
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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

In 2022 and 2021, 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 Russian war in Ukraine is still ongoing

As described in Note 3 “Going concern assumptions of the Company”, the full-scale war between Russia and Ukraine is ongoing and the legal regime of martial law is effective.

In the future, the key risk is the prolongation of the war, even if the hostilities are localised. This will require the economy to operate for a long time in extreme conditions, threatening to deepen its decline and increasing the need for assistance from partners. The impact of the war on the global economy will also increase.

International support for Ukraine is growing thanks to the resistance of the Armed Forces, effective diplomacy and extensive coverage of events in the global media. The main mechanisms of support are arms supplies, financial and humanitarian aid, and sanctions against Russia.

The situation continues to evolve and its consequences are currently uncertain. Management is unable to predict all of the changes that could affect the economy as a whole and what effect they could have on the financial position and the results of future operations of the Company. Management keeps monitoring the possible impact of these developments on the Company and will take all possible measures to mitigate any consequences.

Lawsuit against russia in the European Court of Human Rights

The Company filed a lawsuit against the russian federation with the European Court of Human Rights (ECHR).

In the lawsuit filed with the ECHR on January 14, 2023, the Company claims that hostile actions against the civilian population of Ukraine, sovereign territory, employees of the Company and the Company as a whole, indicate a gross violation by russia of Article 1 of Protocol 1 to the European Convention on Human Rights, which guarantees the right to peaceful enjoyment of possessions. In particular, after the illegal seizure of certain territories of Donetsk, Kherson and Zaporizhzhia regions of Ukraine by russian troops, the property of the Company was seized, robbed and in some cases destroyed by the russian army and the occupation authorities controlled by the terrorist country.

These actions of the aggressor country resulted in the loss of access to the Company's property and the inability to use it in its business activities.

The actions of russia in Ukraine, in the context of which the Company's property was seized, robbed or destroyed, constitute an act of aggression against Ukraine, committed in violation of the basic principles of the United Nations, international humanitarian law and human rights.

Based on the above, the russian federation bears full responsibility for its aggressive actions on the territory of an independent state, including the seizure, robbery and destruction of material assets owned by Amic Energy in Ukraine. The preliminary amount of damages claimed in the lawsuit is over UAH 300 million (EUR 8.5 million).

On April 05, 2023, the European Court of Human Rights opened proceedings in the case brought by CFI Amic Ukraine against the russian federation. The case was named "Company with foreign investments Amic Ukraine v. Russia".