Limited Liability Company
“M.V.CARGO”

Financial Statements
for the Year Ended 31 December 2022

LIMITED LIABILITY COMPANY "M.V.CARGO"

TABLE OF CONTENTS

Independent Auditor's Report

To the participants of Limited Liability Company "M.V. Cargo"

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Limited Liability Company "M.V. Cargo" (the "Company") as at 31 December 2022, and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply, in all material respects, with requirements of the Law on Accounting and Financial Reporting in Ukraine for the preparation of financial statements.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Law on Audit of Financial Statements and Auditing that are relevant to our audit of the financial statements in Ukraine. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Material uncertainty relating to going concern

We draw attention to Note 3 in the financial statements, which indicates that as at 31 December 2022 the Company's current liabilities exceeded its current assets by UAH 480,144 thousand and since 24 February 2022, the Company's operations are significantly affected by the ongoing military actions in Ukraine, in particular unstable operations of Ukrainian Black Sea ports, and the magnitude of further developments and the timing of cessation of those actions are uncertain, as well as resulting ability of the Company to settle its borrowings. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 2, 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.

Emphasis of matter - iXBRL reporting

In accordance with the Law on Accounting and Financial Reporting in Ukraine the IFRS financial statements of the Company should be prepared in a single electronic format (iXBRL). As described in Note 4 to the financial statements, as of the date of approval of the financial statements, management of the Company has not yet prepared the financial statements in iXBRL format due to the circumstances described in Note 4 and plans to prepare and submit the financial statements in iXBRL format when it will be possible. Our opinion is not modified in respect of this matter.

Other information including the management report

Management is responsible for the other information. The other information comprises the management report and the financial reports in the format stipulated by the Order of Ministry of Finance of Ukraine No 73 dated 7 February 2013 that are provided as supplementary information at the end of the financial statements of the Company (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, including the management report.

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.

Based on the work undertaken in the course of our audit, in our opinion, the financial information given in the management report for the financial year for which the financial statements are prepared is consistent with the financial statements.

In addition, in light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the management report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and financial reporting requirements of the Law on Accounting and Financial Reporting in Ukraine, 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 basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The key audit partner on the audit resulting in this independent auditor's report is Olena Volkova.

LLC AF "PricewaterhouseCoopers (Audit)"

Identification number 21603903

Registration number in the Register of Auditors and Auditing Entities 0152

Olena Volkova

Registration number in the Register of Auditors and Auditing Entities 101813

LLC AF "PricewaterhouseCoopers (Audit)"

Kyiv, Ukraine

28 April 2023

LIMITED LIABILITY COMPANY "M.V.CARGO"

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Management is responsible for the preparation of the financial statements that present fairly the financial position of Limited Liability Company "M.V.CARGO" (the "Company") as of 31 December 2022 and the results of its operations, cash flows and changes in equity for the year then ended in compliance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- Making an assessment of the Company's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Company;
- Maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and 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;
- Maintaining statutory accounting records in compliance with Ukrainian legislation and 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 the year ended 31 December 2022 were approved by management on 28 April 2023.

On behalf of the Management:

Anatolii Sikorskyi, Director of LLC "M.V.CARGO"	Julia Nosal, Financial manager of LLC "M.V.CARGO"

LIMITED LIABILITY COMPANY "M.V.CARGO"

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In Ukrainian Hryvnias and in thousands

	Notes	2022	2021
Revenue	6	1,039,207	706,566
Cost of sales	7	(499,943)	(497,310)
Gross profit		**539,264**	**209,256**
Other operating income	8	7,489	117,103
General and administrative expenses	9	(74,150)	(91,813)
Other operating expenses	11	(11,181)	(73,992)
Finance expenses	10	(140,125)	(145,810)
Finance income		207	261
Foreign exchange (loss)/gain, net		(290,575)	37,760
Profit before income tax		**30,929**	**52,765**
Income tax (expenses)/benefit	12	(4,124)	9,489
Net profit for the year		**26,805**	**62,254**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**26,805**	**62,254**

On behalf of the Management:

Anatolii Sikorskyi
Director of LLC "M.V.CARGO"

Julia Nosal,
Financial manager of LLC "M.V.CARGO"

The notes on pages 6 to 39 form an integral part of these financial statements.

LIMITED LIABILITY COMPANY "M.V.CARGO"

STATEMENT OF FINANCIAL POSITION

In Ukrainian Hryvnias and in thousands

Assets	**Notes**	**31 December 2022**	**31 December 2021**
Non-current assets			
Property, plant and equipment	13	2,767,720	2,993,059
Intangible assets		1,502	2,160
Prepayments for property, plant and equipment		38,530	21,288
Deferred tax assets	12	13,849	18,525
Total non-current assets		**2,821,601**	**3,035,032**
Current assets			
Cash	14	349,560	48,745
Trade and other accounts receivable	15	264,820	13,765
Prepayments to suppliers		9,653	12,325
Income tax prepayments		7,544	6,993
Inventories	16	41,715	20,479
Other financial assets	17	187,634	141,053
Total current assets		**860,926**	**243,360**
Total assets		**3,682,527**	**3,278,392**
Equity and liabilities			
Equity attributable to participants			
Issued capital	22	1,563,813	1,203,536
Additional paid-in capital		168,770	169,031
Retained earnings		371,310	344,505
Total equity		**2,103,893**	**1,717,072**
Non-current liabilities			
Long-term borrowings	18	237,594	-
Other accounts payable		-	1,799
Total non-current liabilities		**237,594**	**1,799**
Current liabilities			
Trade and other accounts payable	19	111,308	198,943
Advances received		17,085	29,547
Interest-free loans from related parties	20	-	362,865
Current borrowings and interest payable	18	1,159,838	949,443
Value added tax payable		43,809	5,686
Other current liabilities		9,000	13,037
Total current liabilities		**1,341,040**	**1,559,521**
Total liabilities		**1,578,634**	**1,561,320**
Total equity and liabilities		**3,682,527**	**3,278,392**

Anatolii Sikorskyi,
Director of LLC "M.V.CARGO"

Julia Nosal,
Financial manager of LLC "M.V.CARGO"

The notes on pages 6 to 39 form an integral part of these financial statements.

LIMITED LIABILITY COMPANY "M.V.CARGO"

STATEMENT OF CHANGES IN EQUITY

In Ukrainian Hryvnias and in thousands

	Notes	Issued capital	Additional paid-in capital	Retained earnings	Total
31 December 2020		**1,203,536**	**131,827**	**282,251**	**1,617,614**
Net profit for the year		-	-	62,254	62,254
Total comprehensive income for the year		-	-	62,254	62,254
Effect of initial recognition of interest-free loans from related parties	20	-	22,664	-	22,664
Effect of initial recognition of trade and other accounts payable from related parties	19	-	14,540	-	14,540
31 December 2021		**1,203,536**	**169,031**	**344,505**	**1,717,072**
Net profit for the year		-	-	26,805	26,805
Total comprehensive income for the year		-	-	26,805	26,805
Capital contributions for the year	22	360,277	(261)	-	360,016
31 December 2022		**1,563,813**	**168,770**	**371,310**	**2,103,893**

Anatolii Sikorskyi,
Director of LLC "M.V.CARGO"

Julia Nosal,
Financial manager of LLC "M.V.CARGO"

The notes on pages 6 to 39 form an integral part of these financial statements.

LIMITED LIABILITY COMPANY "M.V.CARGO"

STATEMENT OF CASH FLOWS

In Ukrainian Hryvnias and in thousands

	Notes	2022	2021
Operating activities			
Profit before income tax		30,929	52,765
Adjustments for:			
Depreciation and amortization	7, 9, 11	217,280	217,622
Finance expenses	10	140,125	145,810
Finance income		(207)	(261)
Net foreign exchange loss/(gain)		297,133	(36,685)
Loss on disposal of property, plant and equipment		639	325
Increase in allowance for estimated non-recoverable amounts and direct write-offs		117	3,500
Operating cash flow before movements in working capital		686,016	383,076
Movements in working capital:			
Change in trade and other accounts receivable		(249,863)	6,003
Change in prepayments to suppliers		2,672	(3,120)
Change in advances received		(12,462)	29,508
Change in inventories		(7,993)	1,678
Change in value added tax payable		38,123	(4,963)
Change in trade and other accounts payable		(86,790)	(124,210)
Change in other current liabilities		(4,154)	(790)
Cash generated from operations		365,549	287,182
Income tax paid		-	-
Interest paid	25	(105,742)	(87,102)
Net cash generated from operating activities		259,807	200,080
Investing activities			
Acquisition of property, plant and equipment		(52,054)	(47,372)
Interest received from cash and cash equivalents		207	261
Net cash used in investing activities		(51,847)	(47,111)
Financing activities			
Cash contributed to capital		360,016	-
Proceeds from loans from related party		170,209	-
Repayment of interest-free loans from related party		(361,235)	-
Repayment of borrowings	25	(117,450)	(193,582)
Net cash used in from financing activities		51,540	(193,582)
Net increase/(decrease) in cash		**259,500**	**(40,613)**
Cash as of the beginning of the year		**48,745**	**93,951**
Effects of exchange rate changes on the balance of cash held in foreign currencies		41,315	(4,593)
Cash as of the end of the year		**349,560**	**48,745**

Anatolii Sikorskyi,
Director of LLC "M.V.CARGO"

Julia Nosal,
Financial manager of LLC "M.V.CARGO"

The notes on pages 6 to 39 form an integral part of these financial statements.

1. GENERAL INFORMATION

M.V.Cargo Ltd (the "Company") is a limited liability company incorporated in accordance with laws of Ukraine. It is developing a greenfield grain terminal that is located in the Port of Yuzhny in Ajalyk Estuary on Ukraine's Black Sea coast, approximately 30 km from Odessa.

The grain terminal has the processing capacity of 5 million tons of grain per year and have its own dedicated berth (Berth #25). It is capable of handling vessels of up to 100,000 tons deadweight tonnage (DWT).

Construction of terminal was split into stages. In March 2018, the first stage of construction was already completed allowing the Company to commence grain transshipment operations in June 2018, while the grain transshipment operations via Berth #25 started in September 2019.

In July 2021, Cargill Inc., a leading global agriculture commodities producer and trader, acquired a 51% of the Company's immediate Parent shares. Cargill Inc. became an ultimate Parent of the Company and ultimate operator of the terminal and the berth. The Company's immediate Parent is Neptune Port Holding B.V. (Note 22).

The principal operating office of the Company is situated at 60 Stavnitsera St., Vizyrka village, 67543, Odessa region, Ukraine.

2. OPERATING ENVIRONMENT

The Ukrainian economy has features inherent in emerging markets, and its development is heavily influenced by the fiscal and monetary policies adopted by the Ukrainian government, together with developments in the legal, regulatory, and political environment which changes rapidly.

Impact of the war. On 24 February 2022, military forces from the Russian Federation commenced a full-scale invasion across the Ukrainian state, which had an impact on all areas of Ukrainian life and economy. Whilst the territories of Kyiv, Chernihiv, Sumy, Kharkiv and part of Kherson regions were occupied at the beginning of the war, they were subsequently liberated. As of 31 December 2022, Crimea and the major parts of Donetsk, Luhansk, Kherson and Zaporizhzhia regions continued to be under occupation and active military actions are ongoing there.

Ukrainian businesses located outside the main war zones started to show signs of recovery from April 2022. Since October 2022, Russia has targeted Ukraine's national energy infrastructure with missiles and combat drone strikes, causing widespread destruction, leading to a significant degradation in Ukraine's energy supply. The continued pressure on Ukraine's energy infrastructure results in scheduled and unscheduled power outages for both households and businesses. The result of these actions is a decrease of Ukraine's GDP in 2022 of approximately 30.4% (2021: increase 3%) according to a report published by the Ministry of Economy of Ukraine. The situation remains tense, with its impact being felt on both the Ukrainian and global economies, and its further impact and duration is difficult to predict and quantify.

The National Bank of Ukraine ("NBU") follows an interest rate policy consistent with inflation targets. The inflation rate in Ukraine for 2022 stood at 26.6% (2021: 10.0%) according to the statistics published by the State Statistics Service of Ukraine. An increase in inflation in 2022 led the NBU to begin monetary tightening and to increase its key policy rate from 10% effective from 20 January 2022 to 25% effective from 3 June 2022 until now.

As of 24 February 2022, the hryvnia exchange rate was effectively fixed at UAH 29.25 per USD 1 (as compared to UAH 27.28 per USD 1 as at 31 December 2021) on the foreign exchange market to ensure the sound and stable operation of the country's financial system. From 21 July 2022, the hryvnia exchange rate was adjusted to UAH 36.57 per USD 1, and it has remained fixed at that level until the date of signing these financial statements.

2. OPERATING ENVIRONMENT (continue)

To constrain price increases in Ukraine, as well as keep inflation under control, the NBU not only fixed the USD exchange rate, but also introduced a number of administrative restrictions, in particular on foreign exchange transactions and capital movements including restrictions on interest and dividend payments being made to accounts abroad in foreign currencies. Due to all these restrictions, the UAH lacks exchangeability and is not freely convertible to hard currencies.

The yield to maturity ("YtM") on the Ukrainian Government's Eurobonds increased to 63.4% (for 5-year maturity instruments as of 31 December 2022) from 8.9% as at 31 December 2021. At the same time, the domestic Ukrainian sovereign bonds in UAH (for a 5-year maturity) were traded with yields of 22% as at 31 December 2022. In August 2022, Ukraine's creditors agreed to a two-year standstill on all its Eurobonds that allowed deferring nearly USD 6 billion of scheduled repayments. From January 2022, foreign currency reserves, that as of 31 December 2021 were at the highest level since 2011, started to be gradually utilised. However, due to the inflow of international aid, foreign currency reserves exceeded the pre-war level as of 31 December 2022. From the start of the war the Ukrainian budget experienced a significant deficit, which was financed by national and international borrowings and grants. Since the beginning of the full-scale invasion by Russia up until 31 December 2022, the total amount of funds received by Ukraine from international partners amounted to USD 31.2 billion (UAH 1,046 billion), out of which 45% were in the format of a grant. International support is crucially important for Ukraine's ability to continue fighting against the aggression and funding the budget deficit and on-going debt repayments.

Currently, the EBRD finances Ukrainian companies with loans deferrals, debt forbearance and restructuring; trade finance, including for fuel imports; emergency liquidity finance, in coordination with partners; emergency reform support, to support the Ukrainian authorities with immediate legislative and regulatory interventions.

The Ministry of Agriculture of Ukraine data showed that grain exports totaled 38.8 million tons in the June 2022 to mid-April 2023 down by 15% compared to the same period in 2022. The government informed that in 2023 expected harvest of grain in Ukraine is at least 44 million tons, compared with 68 million tons in 2022.

Alongside with the impacts described above, the Company may face the effects of COVID-19 because of its negative impact on the global economy and major financial markets. In response to the pandemic, the Ukrainian authorities implemented measures attempting to contain the spreading and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders which were in place till the end of March 2022 when travel bans were removed and quarantine restrictions become highly recommended but not required. However, substantial increase in the number of cases in August 2022 some of the above measures were prolonged till the end of February 2023. At present, the outbreak of COVID-19 has an insignificant impact on the Company's operations.

3. GOING CONCERN

On 24 February 2022 Russia initiated a full-scale military invasion of Ukraine and the Company continues to experience disruption in its operations in this regard. At the beginning of the war all ports in Black Sea aquatorium stopped providing transhipment services due to the military actions in Ukraine, including the Black Sea shore, hence transportation made via the sea ports was fully frozen. At the end of July three Black Sea ports (Odesa, Chornomorsk and Yuzhnyi) were unblocked under the deal brokered by the United Nations and Turkey and lead to gradual resuming of the sea transhipment operations. Hence, the Company resumed its transshipment services on vessels since 14 August 2022. As of the date of these financial statements the Company's key assets located in the Port of Yuzhnyj, near Odesa were not damaged.

As mentioned in Note 2, since October 2022, Russia has targeted Ukraine's national energy infrastructure causing difficulties in electricity supplies. To provide uninterrupted service the Company purchased and installed power generators sufficient for the current level of transshipment performed.

3. GOING CONCERN (continue)

The Company have outstanding loans from external lenders – International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD) obtained in 2017 to finance the construction.

According to the loan agreement and received waiver the Company was required to finalize technical audit of the terminal construction project before 31 January 2023. Due to the delay in formal documentation of the completed technical tests and ongoing war the Company was not able to finalize it until the agreed date. As at the date of issue of these financial statements the Company was in process of finalising new waiver according to which technical audit have to be completed until 31 December 2023. As the waiver received as at 31 December 2022 was for a period shorter than 12 months and therefore the Company continued to classify all loans as current that resulted in the current liabilities exceeding current assets by UAH 480,114 thousand (2021: UAH 1,316,161 thousand).

To maintain positive cash balance and manage the uncertainty the Company did not repay the loans principal amounts past due in June 2022 and September 2022 with prior consent of lenders. The letter provided forbearance notice for the missed payments which were not considered waivers. As a result the Company was in the technical default as of year end. As at the date of authorization of these financial statements, the Company fully repaid the overdue principal payments of USD 3,568 thousand for in June 2022 and September 2022. The next principal payments are planned to be repaid according to the schedule.

As mentioned above since October 2022 russia targeted Ukraine's national infrastructure. As an urgent measure to provide uninterrupted work of the terminal the Company purchased power generators without prior consent of the lenders which resulted in a breach of a covenant. New waiver mentioned above is expected to cover this breach. As such this non-compliance still exists as of date of authorization of these financial statements.

Subsequently to 31 December 2022 the Company generated significant amount of cash and was able to decrease excess of current liabilities over current assets. Additionally, there is a support letter from the ultimate parent company valid until 27 September 2023 and there are shareholder's funds held on restricted account which upon the request from the lenders can be directed to the settlement of outstanding amounts of the borrowings.

During the year ended 31 December 2022 the Company generated strong cash flows from operating activities of UAH 224,899 thousand (in 2021 the Company generated cash flows from operating activities of UAH 200,080 thousand) and incurred a net profit of UAH 26,805 thousand (2021: UAH 62,254 thousand).

Considering the above management has assessed the going concern assumption based on which the financial statements have been prepared.

Management prepared cash flow forecasts for the next 12 months. The following key assumptions were made by management:

- no further significant progression of Russian troops into the territory of Ukraine and no further escalation of military actions that could severely affect the Company's assets;
- "Grain Corridor" deal will continue to be in force until the end of July 2023 and will be prolonged further;
- future transhipment volume will reach up to 60-70% of historical maximum per month;
- postponement of capital expenditures, which are non-essential for the terminal operations;
- IFC and EBRD loans principal amounts and interest repayment will be made according to the schedule and neither of these lenders will exercise their rights to request early settlement of the outstanding borrowings.

If significant assumptions and judgements made by management will not realise, management will continue seeking alternative ways to meet its financial obligations, including requesting the support from its parent and other shareholders (Note 22). Shareholders of the Company provided long term loans to M.V. Cargo in February 2022 of USD 6,000 thousand to support its operations.

3. GOING CONCERN (continue)

Depending on how the situation evolves, and should the situation further deteriorate, it could have a severe impact on the Company and the Ukrainian economy as a whole. Management acknowledges that future development of military actions, their duration and ability of the Company to renegotiate repayment of its borrowings or ability to settle the borrowing represent a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Despite the material uncertainty relating to the war in Ukraine, management is continuing to take actions to minimize the impact on the Company and thus believes that application of the going concern assumption for the preparation of these financial statements is appropriate.

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

In accordance with p.5 Article 121 of the Law of Ukraine On Accounting and Reporting in Ukraine, all IFRS reporters should prepare and submit their financial statements based on the taxonomy of financial statements under IFRS in a single electronic format (referred to as "iXBRL"). As of the date of issuing these financial statements, the 2022 UA XBRL IFRS taxonomy has not been published yet, and the process for submitting financial statements for the year ended 31 December 2022 in a single electronic format has not been initiated. Management of the Company is planning to prepare the iXBRL report and submit it within 3 month it becomes available.

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

These financial statements have been prepared assuming that the Company is a going concern and will continue in operation for the foreseeable future.

Basis of preparation

These financial statements are prepared on the historical cost basis, as modified by the initial recognition of financial instruments based on fair value.

The principal accounting policies applied in the preparation of these financial statements are set out below.

Adoption of New or Revised Standards and Interpretations

The following amendments became effective from 1 January 2022:

- Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022).
- Covid-19-Related Rent Concessions – Amendments to IFRS 16 (issued on 31 March 2021 and effective for annual periods beginning on or after 1 April 2021).

The application of the amendments had no significant impact on the financial statements of the Company.

Standards and Interpretations in issue, but not yet effective

At the date of authorization of these financial statements, the following Standards and Interpretations, as well as amendments to the Standards were in issue but not yet effective:

In Ukrainian Hryvnias and in thousands unless otherwise stated

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

Standards and Interpretations	Effective for annual accounting periods beginning on or after:
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* – Sale or contribution of assets between an investor and its associate or joint venture	The effective date is not determined. Early application is allowed.
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies	1 January 2023
Amendments to IAS 12 -Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
IFRS 17 *Insurance Contracts*	1 January 2023
Amendments to IFRS 17 and an amendment to IFRS 4 - effective date, expected recovery of insurance acquisition cash flows, contractual service margin attributable to investment services, reinsurance contracts held – recovery of losses, other amendments	1 January 2023
Amendments to IFRS 17 - Transition option to insurers applying IFRS 17	1 January 2023
Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements* – Classification of liabilities as current or non-current	1 January 2024

Management do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

Functional and presentation currency

The functional currency of the Company and the presentation currency of these financial statements is the Ukrainian Hryvnia ("UAH"). Transactions in currencies, other than functional currency of the Company, are treated as transactions in foreign currencies.

Foreign currencies

Transactions in currencies, other than the functional currency, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

	As of 31 December 2022	Average exchange rate for 2022	As of 31 December 2021	Average exchange rate for 2021
UAH/USD	36.57	32.37	27.28	27.28
UAH/EUR	38.95	34.00	30.92	32.30

The average exchange rates for each period are calculated as the arithmetic mean of the exchange rates for all trading days during this period. The sources of exchange rates are the official rates set by the National Bank of Ukraine for UAH/USD and UAH/EUR.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted as of the reporting date.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The deferred tax liability or asset that arises from revaluation of non-depreciable assets are measured based on the tax consequences that would follow from recovery of the carrying amount of that asset through sale, regardless of the basis of measuring the carrying amount of that asset. Accordingly, if the tax law specifies a tax rate applicable to the taxable amount derived from the sale of an asset that differs from the tax rate applicable to the taxable amount derived from using an asset, the former rate is applied in measuring the deferred tax liability or asset related to a non-depreciable asset.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Uncertain tax positions

The Company's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions are recorded within the income tax charge.

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

Property, plant and equipment

Property, plant and equipment are stated at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The historical cost of an item of property, plant and equipment comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the item to the location and condition necessary for it to be capable of operating in the manner intended by the management of the Company; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. The cost of self-constructed assets includes the cost of material, direct labour and an appropriate portion of production overheads.

Subsequently capitalized costs include major expenditures for improvements and replacements that extend the useful lives of the assets or increase their revenue generating capacity. Repairs and maintenance expenditures that do not meet the foregoing criteria for capitalization are charged to the profit or loss as incurred.

Depreciation is recognized so as to write off the cost of assets, other than land, properties under construction and uninstalled machinery and equipment, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Land is not depreciated.

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Categories of property, plant and equipment	Useful life in years
Buildings and structures	10-50
Machinery and equipment	5-20
Vehicles	5-10
Office equipment and other fixed assets	2-20

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Construction in progress

Construction in progress comprises costs directly related to construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in construction. Construction in progress is not depreciated.

Depreciation of the construction in progress, on the same basis as for other property, plant and equipment items, commences when the assets are available for use, i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by the management.

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

Impairment of tangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate
assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Inventories

Inventories primarily consist of expendable parts and supplies. These inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis.

The value of expendable spare parts and supplies is written off to profit or loss when they are used for maintenance. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-process comprises capitalized expenditure in relation to revenue contracts on grain transshipment services where contract obligations have not yet been fulfilled by the Company.

Financial instruments

Key measurement terms

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. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available.

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortized cost ("AC") is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest and less any allowance for expected credit losses ("ECL"). Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortized discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortized over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Financial instruments – initial recognition. Financial instruments of the Company are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognized for financial assets measured at AC.

Financial assets – classification and subsequent measurement – measurement categories. The Company classifies financial assets in the AC measurement categories. The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business model. The business model reflects how the Company manages the assets in order to generate cash flows –

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

whether the Company's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Financial assets – classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Company assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model.

Financial assets impairment – credit loss allowance for ECL. The Company assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and for the exposures arising from loan commitments and financial guarantee contracts, for contract assets. The Company measures ECL and recognizes Net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC and contract assets are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability in the statement of financial position.

The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL").

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - derecognition. The Company derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial liabilities – measurement categories. Financial liabilities of the Company are classified as subsequently measured at AC.

Financial liabilities – derecognition. Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognized in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

Offsetting financial instruments. Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL. Restricted balances are excluded from cash and cash equivalents for the purposes of the cash flow statement.

Balances restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period are included in other non-current assets, otherwise they are included in current assets.

Trade and other receivables. Trade and other receivables are recognized initially at fair value and are subsequently carried at AC using the effective interest method.

Other financial assets. Other financial assets are recognized initially at fair value and are subsequently carried at AC using the effective interest method.

Trade and other payables. Trade payables are accrued when the counterparty performs its obligations under the contract and are recognized initially at fair value and subsequently carried at AC using the effective interest method.

Interest-free loans from related parties. Loans from related parties are financial liabilities represented by loans provided by entities under control of other significant shareholders. Loans from

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

related parties are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method. Gain or loss on initial recognition of loans from related parties is recognised directly in equity.

Where an existing financial liability is replaced by new one from same lender on substantially different terms, or the terms of an existing asset are substantially modified (such as deferral of contractual repayment, actual tranches repaid ahead of schedule or changes in the contractual payment schedule), such modification is assessed to determine whether or not the modification is substantial. Modification considered to be substantial when discounted present value of the cash flows under the new terms (using the original effective interest rate) is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If modification is assessed to be substantial, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and fair value of newly recognised financial liability (net of deferred tax) is recognized directly in equity.

Borrowings. Borrowings are recognized initially at fair value net of transaction costs incurred and are subsequently carried at AC using the effective interest method.

Capitalization of borrowing costs. General and specific borrowing costs directly attributable to the acquisition, construction or production of assets that are not carried at fair value and that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalized as part of the costs of those assets.

The commencement date for capitalization is when (a) the Company incurs expenditures for the qualifying asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale. Capitalization of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

The Company capitalizes borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalized are calculated at the Company's average funding cost (the weighted average interest cost is applied to the expenditures on the qualifying assets), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred on the specific borrowings less any investment income on the temporary investment of these borrowings is capitalized.

The Company presents cash flows from interest paid including those being capitalized within operating activities in the statement of cash flows.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Company assesses whether:

- the contract involved the use of an identified asset - this may be specified explicitly or implicitly
- the asset should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified
- the Company has the right to direct use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing the how and for what purpose the asset is used. If these decisions are predetermined:
  - ✓ the Company has the right to operate the asset or
  - ✓ the Company designed the asset in a way that predetermines how and for what purpose

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

✓ it is used

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and,
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other operating expenses' in profit or loss.

Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognized in the statement of financial position on a net basis.

Prepayments

Prepayments are carried at cost less provision for impairment, if any. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognized in profit or loss for the year.

Issued capital

Issued capital is recorded at the fair value of consideration received. Any excess of the fair value of consideration received over the par value of contributions made is recorded as additional paid-in capital.

4. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continue)

Revenue recognition

Revenue is income arising in the course of the Company's ordinary activities. Revenue is recognized in the amount of transaction price. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring control over promised services to a customer, excluding the amounts collected on behalf of third parties.

Revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Revenue is recognized net of discounts and value added taxes.

Employee benefits

Wages, salaries, contributions to the Ukraine's state pension and social insurance funds, paid annual leave and sick leave, bonuses, and any non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Company. The Company has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

Amendment of the financial statements after issue. Any changes to these financial statements after issue require approval of the Director and Financial Manager of the Company.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described above, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key management assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recoverability of property, plant and equipment

At each reporting date, the Company assesses whether there is any indication that the recoverable amount of the Company's property, plant and equipment has declined below the carrying value. When such a decline is identified, the carrying amount is reduced to the recoverable amount.

The amount of the reduction is recorded in the statement of profit or loss and other comprehensive income in the period in which the reduction is identified.

As a result of the factors described in Note 3 management determined that as at 31 December 2022 there were indicators of impairment with respect to property, plant and equipment. The Company performed the impairment test at cash generating unit ("CGU") level, covering all property, plant and equipment of the Company. Management determined the Company's all items of property, plant and equipment represent a single cash generating unit.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continue)

As of 31 December 2022, the Company recorded property, plant and equipment and prepayment for property, plant and equipment in the total amount of UAH 2,806,250 thousand (2021: UAH 3,014,347 thousand), represented by the grain terminal.

The recoverable amount of the CGU was determined based on value-in-use calculations. The value-in-use calculations is based on discounted cash flow projections based on the financial budgets approved by management covering a ten-year period and cash flows beyond the ten-year period are extrapolated using an estimated growth rate of 2%. Considering the uncertainties in the current economic environment, management developed 3 scenarios for the forecast and applied probability-weighting of these scenarios to estimate the expected cash flows.

Management used the following key assumptions in developing the cash flows scenarios:

- Under the scenario 1 management assumed that transhipment operations via Black Sea ports under grain deal will continue in 2023 and going forward. Turnover in 2023 will reach 3,400 thousand tons and will further increase gradually reaching 90% its full capacity in 2025 and onwards.
- Under the scenario 2 management considered possible grain corridor closure starting from March 2023, so the Company would provide inland transhipment and storage services until the end of 2024. In this case, turnover in 2023 and 2024 would total 930 and 240 thousand tons respectively. Starting from 2025 the Company will resume its sea transshipment operations and will reach pre-war level of 3,500 thousand tons annualy.
- Under the scenario 3 the Company will be able to continue its operations uninterrupted on the sea transhipment for the next 12 months and going forward. Turnover in the FY 2023 would total 4,000 thousand tons and at maximum 5,000 thousand annually in the next years.

Scenarios 1, 2 and 3 are weighted at 80%, 10% and 10% respectively based on management's best estimate of likely possible outcomes.

Probability weighted expected cash flows were discounted using a post-tax discount rate (WACC) of 16.6% which was calculated excluding risks attached to the war impact: the country risk premium and cost of debt were taken on the 31 January 2022 and the rest of parameters were taken as of reporting date.

As the recoverable amount of the Company was higher than its carrying amount, no impairment charge was recognized.

The most sensitive assumptions in the impairment test model are tariff for transshipment and discount rate. The tariff for transhipment decrease by 10 per cent while all other variables were held constant would not result in an impairment loss as of 31 December 2022. The discount rate increase by 1 per cent while all other variables were held constant would not result in impairment loss as of 31 December 2022.

Useful lives of property, plant and equipment

The estimation of the useful life of an item of property, plant and equipment is a matter of management judgment based upon experience with similar assets. In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear, and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation rates.

In Ukrainian Hryvnias and in thousands unless otherwise stated

6. REVENUE

Revenue for the years ended 31 December was as follows:

	2022	2021
Cargo transhipment	975,129	625,046
Cargo storage	51,850	3,573
Grain drying services	8,651	73,768
Berth dues	3,577	4,179
Total	**1,039,207**	**706,566**

In 2022 the Company handled 2,481 thousand tons of grain (2021: 3,469 thousand tons).

The Company provides services under contracts which contain single performance obligation. If the contract includes variable consideration, revenue is recognised only to the extent that it is highly probable that there will be no significant reversal of such revenue. Revenue is recognized over the period while transhipment services are being provided. Revenue is recognized based on the volume of services provided until the end of the reporting period, in proportion to the total volume of services provided. The revenue from three largest customers comprised 79% of total revenue (2021: 65%).

7. COST OF SALES

Cost of sales for the years ended 31 December was as follows:

	2022	2021
Depreciation and amortization	214,785	212,812
Complex of railway services	136,741	76,878
Payroll and related charges	68,082	74,168
Utilities	27,108	58,017
Insurance	13,607	5,849
Repair and maintenance	10,007	15,636
Cost of materials and fuel consumed	8,225	15,108
Transportation of employees	4,703	6,267
Security	4,252	14,062
Other	12,433	18,513
Total	**499,943**	**497,310**

In 2022, the Company purchased services and materials and fuel from its two largest suppliers that comprised 84% of total purchases (2021: 67%).

Purchases from the Company's related parties disclosed in Note 23.

In Ukrainian Hryvnias and in thousands unless otherwise stated

8. OTHER OPERATING INCOME

Other operating income for the years ended 31 December were as follows:

	2022	2021
Rental income	3,905	3,354
Income from inventory count	233	109,392
Profit from the sale of goods and fixed assets	1	2,252
Other income	3,350	2,105
Total	**7,489**	**117,103**

The Company provides transhipment, storage and other transhipment related services (Note 6). As the Company's ordinary activity does not include trading of grain, the Company accounts received grain for transhipment, storage and other transhipment related services off the balance sheet. Under the contract terms a deviation of 0.2 % is allowed in the volume of transhipped grain. Once a year the Company performs annual inventory count in warehouses and silos. As a result of conducted physical inventory count in 2021, wheat, barley and corn surpluses of 6,084 tons, 1,046 tons and 10,080 tons, respectively, were identified. Grain surpluses were sold by the Company with insignificant gain recognized.

9. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended 31 December were as follows:

	2022	2021
Payroll and related charges	29,378	50,211
Professional services	24,794	16,307
Bank charges and commissions	15,347	11,783
Depreciation and amortisation	2,472	4,799
Insurance	736	6,459
Other	1,423	2,254
Total	**74,150**	**91,813**

Purchases from the Company's related parties disclosed in Note 23.

10. FINANCE EXPENSES

	2022	2021
Interest expense on bank borrowings	129,981	92,464
Unwinding of discount on trade accounts payable from related parties	5,518	17,431
Unwinding of discount on borrowings from related parties	4,626	35,915
Total	**140,125**	**145,810**

11. OTHER OPERATING EXPENSES

Other operating expenses for the years ended 31 December were as follows:

	2022	2021
Payroll and related charges	9,695	719
Irrecoverable amounts and direct write-offs	117	3,500
Depreciation and amortisation	23	11
Provision of services and use of inventories	-	55,450
Write-offs of non-current assets	-	6,143
Other	1,346	8,169
	11,181	**73,992**

In Ukrainian Hryvnias and in thousands unless otherwise stated

11. OTHER OPERATING EXPENSES (continue)

In 2021 under an agreement with JSC Ukrainian railways on connection to the railway infrastructure the Company transferred inventories and provided services on reconstruction of railway facilities of UAH 55,450 thousand. Services included the following: laying and installation of transport modules and railway tracks. Other operating expenses included transactions with the Company's related parties disclosed in Note 23.

12. INCOME TAX

The Company's profit was subject to corporate taxation in Ukraine. During the years ended 31 December 2022 and 31 December 2021, the Company was subject to income tax at the rate of 18%.

Components of income tax benefit for the years ended 31 December were as follows:

	2022	2021
Current tax		
Current income tax expenses	551	14,804
Provision for income tax	-	7,960
Deferred tax		
Deferred income tax expenses/(benefit)	3,573	(4,333)
Recognised tax loss	-	(27,920)
Total income tax expenses/(benefit) in the current year	**4,124**	**(9,489)**

A reconciliation between the expected and the actual taxation charge is provided below:

	2022	2021
Profit before income tax	**30,929**	**52,765**
Income tax at statutory tax rate of 18%	5,567	9,498
Tax effect of:		
Change in unrecognised deferred tax assets not yet submitted in income tax returns	-	4,289
Utilisation of previously unrecognised tax loss carry forwards	(962)	(27,920)
Provision for income tax	-	7,960
Items which are not (taxable)/tax deductible	(481)	(3,316)
Income tax expenses/(benefit)	**4,124**	**(9,489)**

As of 31 December, deferred tax assets and liabilities consisted of the following:

	31 December 2022	31 December 2021
Deferred tax assets arising from:		
Recognised tax loss	12,705	13,667
Trade and other accounts receivable	1,144	1,144
Other current liabilities	-	3,714
Net deferred tax assets	**13,849**	**18,525**

In Ukrainian Hryvnias and in thousands unless otherwise stated

12. INCOME TAX (continued)

Differences between IFRS and tax regulations in Ukraine give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

	31 December 2022	**31 December 2021**
Net deferred tax assets at the beginning of the year	18,525	1,075
Credited to profit or loss	(4,676)	17,450
Net deferred tax assets at the end of the year	**13,849**	**18,525**

In Ukrainian Hryvnias and in thousands unless otherwise stated

13. PROPERTY, PLANT AND EQUIPMENT, CONSTRUCTION IN PROGRESS AND UNINSTALLED MACHINERY AND EQUIPMENT

The following table represents movements in property, plant and equipment for the years ended 31 December:

	Land	Buildings and structures	Machinery and equipment	Vehicles	Office equipment and other fixed assets	Construction in progress	Total
Cost							
As of 31 December 2020	**424,464**	**2,252,169**	**631,463**	**3,205**	**40,107**	**116,059**	**3,467,467**
Additions	-	6,642	853	-	2,408	9,111	19,014
Construction expenditure capitalised	-	-	-	-	-	4	4
Transfers	-	22,222	-	-	551	(22,773)	-
Disposals	-	-	-	-	(952)	(20,932)	(21,884)
As of 31 December 2021	**424,464**	**2,281,033**	**632,316**	**3,205**	**42,114**	**81,469**	**3,464,601**
Additions	-	579	39	-	1,204	3,341	5,163
Transfers	-	(33,422)	-	-	-	33,422	-
Disposals	-	-	(3,822)	-	(240)	(334)	(4,396)
Reclassification to inventories	-	-	-	-	-	(13,243)	(13,243)
As of 31 December 2022	**424,464**	**2,248,190**	**628,533**	**3,205**	**43,078**	**104,655**	**3,452,125**
Accumulated depreciation							
As of 31 December 2020	-	**154,110**	**87,488**	**1,712**	**11,896**	**-**	**255,206**
Depreciation	-	138,872	69,203	636	8,252	-	216,963
Disposals	-	-	-	-	(627)	-	(627)
As of 31 December 2021	-	**292,982**	**156,691**	**2,348**	**19,521**	**-**	**471,542**
Depreciation	-	141,006	68,435	573	6,606	-	216,620
Disposals	-	-	(3,522)	-	(235)	-	(3,757)
As of 31 December 2022	-	**433,988**	**221,604**	**2,921**	**25,892**	**-**	**684,405**
Net book value							
As of 31 December 2022	**424,464**	**1,814,202**	**406,929**	**284**	**17,186**	**104,655**	**2,767,720**
As of 31 December 2021	**424,464**	**1,988,051**	**475,625**	**857**	**22,593**	**81,469**	**2,993,059**

In Ukrainian Hryvnias and in thousands unless otherwise stated

13. PROPERTY, PLANT AND EQUIPMENT (continue)

For the year ended 31 December 2021 construction expenditure capitalized within construction in progress were represented by payroll and related charges of UAH 4 thousand.

As of 31 December, the Company pledged its property, plant and equipment as collateral to secure long-term borrowings (Note 18):

Categories of property, plant and equipment (at net book value, except for land)	**31 December 2022**	**31 December 2021**
Buildings and structures	1,813,584	1,954,207
Machinery and equipment	405,426	475,337
Construction in progress and uninstalled machinery and equipment	103,502	75,869
Land (at contractual value)	18,600	18,600
Office equipment and other fixed assets	13,223	14,313
Vehicles	-	702
Total	**2,354,335**	**2,539,028**

14. CASH

The cash balances as of 31 December were as follows:

	31 December 2022	**31 December 2021**
Cash with banks in foreign currencies	336,969	40,358
Cash with banks in UAH	12,591	8,387
Total	**349,560**	**48,745**

Cash balances are held with Ukrainian subsidiaries of international banks which are rated as "A+" to Fitch ratings international agency.

In Ukrainian Hryvnias and in thousands unless otherwise stated

15. TRADE AND OTHER ACCOUNTS RECEIVABLE

Trade and other accounts receivable as of 31 December were as follows:

	31 December 2022	**31 December 2021**
Trade receivables	263,103	11,973
Other financial receivables	1,566	1,587
Total financial assets within trade receivables	**264,669**	**13,560**
Other receivables	151	205
Total	**264,820**	**13,765**

Other financial receivables are primarily from the Company's related parties that arose from the lease of property, plant and equipment. Management have considered current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables and have concluded that no adjustments to the historical zero loss rates is required.

The Company's trade and other accounts receivable by the number of days that an asset is past due as of 31 December are as follows:

	31 December 2022	**31 December 2021**
current	43,798	10,247
less than 30 days overdue	185,727	3,497
30 to 90 days overdue	35,295	-
91 to 180 days overdue	-	-
181 to 365 days overdue	-	-
over 365 days overdue	-	21
Total	**264,820**	**13,765**

As of 31 December 2022, the Company's five largest customers represented 99% (2021: 95%) of the outstanding balance of the trade and other accounts receivable.

Trade and other accounts receivable which were overdue as at 31 December 2022 are fully settled as of date of this financial statements.

16. INVENTORIES

Inventories as of 31 December were as follows:

	31 December 2022	**31 December 2021**
Spare parts	38,598	17,513
Fuel	811	719
Other	2,306	2,247
Total	**41,715**	**20,479**

17. OTHER FINANCIAL ASSETS

As of 31 December 2022, the Company placed a bank guarantee issued in favour of lenders in the total amount of UAH 187,634 thousand (2021: UAH 141,053 thousand). The bank guarantee is placed with a Ukrainian bank and covers any non-compliance in settling Company's obligations.

In Ukrainian Hryvnias and in thousands unless otherwise stated

17. OTHER FINANCIAL ASSETS (continue)

The expiry date of the guarantee is 21 July 2023. The Company is obliged to provide the lenders (IFC and EBRD) with the bank guarantee for the period at least 6 months. The process of the extension of the guarantee term has started and the Company expects to reissue the guarantee for the next year in July 2023.

Other financial assets are held with Ukrainian subsidiary of international bank which is rated as "A+" according to Fitch ratings international agency.

18. BORROWINGS AND INTEREST PAYABLE

As of 31 December 2022, borrowings consisted of the following:

	Lender	Effective interest rate	Carrying amount
Short-term loan	IFC	14.33%	576,049
Short-term loan	EBRD	14.33%	576,049
Long-term loan	Cargill Incorporated	9.47%	111,900
Long-term loan	Arya S.A.	9.47%	107,512
			1,371,510
Add:			
Interest accrued			25,922
Total			**1,397,432**

As of 31 December 2021, borrowings consisted of the following:

	Lender	Effective interest rate	Carrying amount
Short-term loan	IFC	9.0%	472,800
Short-term loan	EBRD	9.0%	472,815
			945,615
Add:			
Interest accrued			3,828
Total			**949,443**

In 2017 the Company entered into agreement with International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD) to obtain two loans of USD 37,000 thousand each.

The annual interest rate for both loans is 7.75% + LIBOR 3 months denominated in USD. The loans are repayable quarterly by equal portions starting from March 2019, and the final maturity date is 12 December 2026. Interest accrued is payable on the quarterly basis.

Certain obligations are attached to the Company's loans and borrowings one of which is meeting the project technical completion date for the terminal. Non-compliance with such obligations may result in negative consequences for the Company as immediate repayment of principal amount of loans and accrued interests upon receipt of respective notice from the lenders.

As stated in Note 3 as at 31 December 2022 the Company failed to comply with certain obligations set in the agreement with creditors. As the consequence the long-term borrowings of UAH 760,594

In Ukrainian Hryvnias and in thousands unless otherwise stated

18. CURRENT BORROWINGS AND INTEREST PAYABLE (continue)

thousand were classified as current liabilities as at 31 December 2022 (31 December 2021: UAH 754,752 thousand).

As of 31 December 2022 and 31 December 2021 the borrowings of UAH 1,182,236 thousand and UAH 949,443 thousand respectively are repayable on demand.

Financial covenants as per agreements will be applicable in one year after technical completion date.

As of 31 December 2022, the Company pledged to IFC and EBRD its property, plant and equipment of UAH 2,354,335 thousand (2021: UAH 2,539,028 thousand) which represents contractual value of land pledged and the carrying value other property, plant and equipment as disclosed in Note 13, and rights to claim proceeds under contracts on grain transhipment services in the amount of UAH 263,612 thousand (2021: UAH 12,115 thousand). In addition, cash on the bank accounts opened with UkrSibbank of UAH 349,539 thousand are also pledged to the same lenders (2021: UAH 47,873 thousand).

As of 31 December 2022 and 31 December 2021 all shares in the Company's Parent were pledged to secure the Company's borrowings (Note 22). Libor-based borrowings are exposed to 3M USD Libor, which is due to be discontinued in 2023. The Company expects to amend respective agreements by 30 June 2023.

19. TRADE AND OTHER ACCOUNTS PAYABLE

The balances of trade and other accounts payable as of 31 December were as follows:

	31 December 2022	31 December 2021
Non-current liabilities		
Accounts payable for property, plant and equipment	-	1,799
Current liabilities		
Accounts payable for property, plant and equipment	88,499	95,016
Trade and other accounts payable	22,809	103,927
Total	**111,308**	**200,742**

20. INTEREST-FREE LOANS FROM RELATED PARTIES

In February 2022 the Company fully repaid its interest-free loans which were outstanding as of 31 December 2021. These interest-free loans were accounted at amortised cost with effect of initial recognition recognised within additional paid-in capital in the amount of UAH 22,664 thousand at interest rates on loans for legal entities in the range of 4.65-21.39% established by the National Bank of Ukraine at relevant dates.

21. CONTINGENCIES AND CONTRACTUAL COMMITMENTS

Legal proceedings

From time to time and in the normal course of business, claims against the Company may be received. On the basis of its own estimates, management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these financial statements.

Tax contingencies

Ukrainian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Company. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged tax authorities. Ukrainian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax incompliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

Ukrainian transfer pricing (TP) legislation is generally aligned with the international TP principles developed by the Organization for Economic Cooperation and Development (OECD), although it has specific features. The TP legislation provides for the possibility of additional tax assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's-length basis. The management has implemented internal controls to comply with current TP legislation.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of TP rules, that such prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the Company's operations.

The Company has undergone a full-scope tax audit for the period from 1 July 2019 to March 2021. A number of issues were raised by the tax authorities listed in the Act of comprehensive tax audit.

As at 31 December 2022 and 31 December 2021 provision of UAH 9,950 thousand, including penalties has been made in relation to interest expenses in earlier periods. Refer to Note 12.

In addition to the above matter, management estimates that the Company has other possible obligations from exposure to other than remote risks of UAH 14,293 thousand. These exposures primarily relate to interest expenses and initial recognition of financial instruments. Management will vigorously defend the entity's positions and interpretations that were applied in determining taxes recognised in these financial statements if these are challenged by the authorities.

Lease of land

The Company's leases include long-term leases of land with rental payments contingent to changes in cadastral values and the rate applied. The contracts are concluded on average for 49 years. The Company does not have an option to purchase the leased plots of land at the expiration of the lease period.

Future variable lease payments for lease of the land plots occupied under leases as at 31 December 2022 amounted to UAH to UAH 52,431 thousand (2021: UAH 53,748 thousand).

Contractual commitments on purchases of property, plant, and equipment

As of 31 December 2022, the commitments of the Company on the purchase of property, plant, and equipment amounted to UAH 124,220 thousand (2021: UAH 97,074 thousand).

In Ukrainian Hryvnias and in thousands unless otherwise stated

22. ISSUED CAPITAL

As of 31 December the participants' interests in the Company were as follows:

	%	31 December 2022	31 December 2021
PLLC "Neptune Port Holding B.V."	99.99	1,563,657	1,203,416
AT Cargill	0.01	156	120
	100	**1,563,813**	**1,203,536**

As of 31 December 2022 and 31 December 2021, the ultimate controlling party of the Company is Cargill Incorporated, who acquired 51% of the Company's immediate Parent shares in July 2021. Andrey Stavnitser and Egor Grebennikov retained the rest of the Company's immediate Parent shares.

As of 31 December 2022 and 31 December 2021 all shares of the Company's immediate Parent were pledged to secure the Company's borrowings (Note 18).

In February 2022 the Company's issued capital was increased by UAH 360,277 thousand.

23. RELATED PARTY BALANCES AND TRANSACTIONS

For the purpose of these financial statements, parties are related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions, and amounts as transactions between unrelated parties.

In Ukrainian Hryvnias and in thousands unless otherwise stated

23. RELATED PARTY BALANCES AND TRANSACTIONS (continue)

During the years ended 31 December, amounts of transactions with related parties and their respective share in total amount of such transactions were as follows:

Type of related party	**Nature of transactions**	**2022**		**2021**	
		Amount	**% of total category**	**Amount**	**% of total category**
Companies under common control	Revenue: Cargo transshipment	642,548	65.9	370,012	59.2
Companies under common control	Revenue: Cargo storage	22,666	43.7	-	-
Companies under common control	Revenue: Grain drying services	3,111	36.0	7,018	9.5
Companies under common control	Revenue: Berth dues	-	-	852	20.4
Companies under control of other significant shareholders	Revenue: Berth dues	2,707	75.7	2,479	59.3
Companies under common control	Cost of sale: Purchases of services	-	-	32,746	17.0
Companies under control of other significant shareholders	Cost of sale: Purchases of services	164,170	77.2	73,185	37.9
Companies under common control	Other operating income: Income from rent of equipment	483	12.4	612	18.2
Companies under control of other significant shareholders	Other operating income: Income from rent of equipment	3,024	77.4	2,367	70.6
Companies under common control	Other operating income: Other income	551	7.6	-	-
Companies under control of other significant shareholders	Other operating income: Other income	20	0.3	-	-
Companies under common control	General and administrative expenses: Purchases of services and materials	-	-	67	0.1
Companies under control of other significant shareholders	General and administrative expenses: Purchases of services and materials	1,626	6.6	55	0.1
Companies under common control	Property, plant and equipment: Purchases of property, plant and equipment	-	-	545	2.0
Ultimate controlling parties	Borrowings: Receipts loans from shareholders	86,866	51.0	-	-
Other significant shareholders	Borrowings: Receipts loans from shareholders	83,343	49.0	-	-
Companies under control of other significant shareholders	Interest-free loans: Repayment of interest-free loans from related party	190,155	52.6	-	-
Other significant shareholders	Interest-free loans: Repayment of interest-free loans from related party	171,080	47.4	-	-
Companies under common control	Inventories: Purchases of inventories	-	-	85	1.2
Companies under control of other significant shareholders	Inventories: Purchases of inventories	-	-	5	0.1

In Ukrainian Hryvnias and in thousands unless otherwise stated

23. RELATED PARTY BALANCES AND TRANSACTIONS (continue)

As of 31 December, the balances outstanding and their share in total balance were as follows:

Amounts due from related parties

Type of related party	Nature of amounts due	31 December 2022 Amount	31 December 2022 % of total category	31 December 2021 Amount	31 December 2021 % of total category
Companies under common control	Trade and other accounts receivable	263,418	99.5	10,268	74.6
Companies under control of other significant shareholders	Trade and other accounts receivable	326	0.1	473	3.4
Companies under control of other significant shareholders	Prepayments to suppliers	854	8.8	958	7.8
Total		**264,598**	**X**	**11,699**	**X**

Amounts due to related parties

Type of related party	Nature of amounts due	31 December 2022 Amount	31 December 2022 % of total category	31 December 2021 Amount	31 December 2021 % of total category
Companies under control of other significant shareholders	Accounts payable for property, plant and equipment	2,550	2.9%	31,874	32.9%
Other significant shareholders	Accounts payable for property, plant and equipment	47,900	54.1%	35,803	37.0%
Companies under control of other significant shareholders	Trade and other accounts payable	17,920	78.6%	98,142	94.4%
Companies under common control	Advances received	-	-	21,058	71.3%
Other significant shareholders	Borrowings	116,421	8.3%	-	-
Ultimate controlling parties	Borrowings	121,173	8.7%	-	-
Other significant shareholders	Interest-free loans	-	-	177,244	48.8%
Companies under control of other significant shareholders	Interest-free loans	-	-	185,621	51.2%
Total		**305,964**	**X**	**549,742**	**X**

23. RELATED PARTY BALANCES AND TRANSACTIONS (continue)

Outstanding balances with related parties at the year-end are unsecured and settlement occurs in cash, except for advances received which will be settled with services provided to customer. Trade receivables are unsecured and are settled in the normal course of business. The Company has not recorded any significant impairment of receivables due from the related parties in 2022 and 2021.

As of 31 December 2022 key management personnel comprised of thirteen people (2021: eleven). During the year ended 31 December 2022, the aggregated remuneration to the key management personnel of the Company comprised only short-term benefits amounted of UAH 19,792 thousand (2021: UAH 35,384 thousand), including all social fund contributions.

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

This note provides information about how the Company determines fair values of various financial assets and financial liabilities. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As at 31 December 2022 and 2021, the carrying value of the Company's financial instruments except for the borrowings approximates their fair values. Fair value of the borrowings UAH 1,182,549 thousand.

Interest-bearing borrowings are initially measured at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest rate method. Management of the Company considers that the carrying amounts of long-term borrowings recognized in the financial statements approximate their fair values since effective interest rate used for discounting equals to market interest rates.

Fair values of interest-free loans from related parties correspond to Level 2 of fair value hierarchy and have been determined by discounting future contractual cash flows at the year-end market interest rates available to the Company for similar financial instruments. Future cash flows are measured, directly or indirectly, on the basis of observable inputs. The measurements use one or more observable quoted prices in the markets considered to be active.

25. FINANCIAL RISK MANAGEMENT POLICIES

The risk management function within the Company is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimize operational and legal risks.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the equity holder through the optimization of the debt and equity balance. Management of the Company reviews the capital structure on a regular basis. Based on the results of this review, the Company takes steps to balance its overall capital structure through new contributions from participants, as well as the issue of new debt instrument or the redemption of existing debt. The Company considers total capital under management to be the equity as shown in the statement of financial position.

25. FINANCIAL RISK MANAGEMENT POLICIES (continue)

As at 31 December 2022 and 31 December 2021 the Company was compliant with applicable requirements to the net assets and issued capital for the limited liability Companies.

Credit risk

The Company exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.
Exposure to credit risk arises as a result of the Company's lending and other transactions with counterparties, giving rise to financial assets.

The Company's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the statement of financial position. For financial guarantees issued, commitments to extend credit, undrawn credit lines and export/import letters of credit, the maximum exposure to credit risk is the amount of the commitment.

Credit risk management. Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk. The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

Limits. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review.

Expected credit loss (ECL) measurement. ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes.

Expected credit losses are modelled over instrument's lifetime period. The lifetime period is equal to the remaining contractual period to maturity of debt instruments, adjusted for expected prepayments, if any. For loan commitments and financial guarantee contracts, it is the contractual period over which an entity has a present contractual obligation to extend credit.

Market risk

The Company takes on exposure to market risks. Market risks arise from open positions in (a) currency, (b) interest rates and (c) equity products, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Interest rate risk

Interest rate risk is the risk that changes in floating interest rates will adversely impact the financial results of the Company. The Company is exposed to interest rate risk because it borrows funds floating interest rate.

If interest rates had been 1 basis point higher/lower and all other variables were held constant, the Company's profit for the year ended 31 December 2021 would decrease/increase by UAH 140 thousand (2021: UAH 95 thousand).

The sensitivity analysis was applied to interest bearing liabilities (long-term borrowings) based on the assumption that the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 1 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the

In Ukrainian Hryvnias and in thousands unless otherwise stated

25. FINANCIAL RISK MANAGEMENT POLICIES (continue)

reasonably possible change in interest rates.

The Company does not use any derivatives to manage interest rate risk exposure. Management of the Company controls this risk by signing loan agreements, which do not allow increasing of interest rate by the bank unilaterally.

Currency risk

In respect of currency risk, management sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

Currency risk is the risk that the financial results of the Company will be adversely impacted by changes in exchange rates to which the Company is exposed. The Company undertakes certain transactions denominated in foreign currencies. The Company does not use any derivatives to manage foreign currency risk exposure, at the same time the management of the Company is trying to mitigate such risk by setting limits on the level of exposure by currencies.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	USD		EUR	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Cash (Note 14)	336,969	39,009	-	1,349
Other financial assets (Note 17)	187,634	141,053	-	-
Trade and other accounts receivable (Note 15)	264,525	11,973	-	-
Trade and other accounts payable (Note 19)	(83,961)	(62,631)	-	-
Borrowings (Note 18)	(1,397,432)	(949,443)	-	-
Interest-free loans from related parties (Note 20)	-	(176,295)	-	-
Total net position	**(692,265)**	**(996,334)**	**-**	**1,349**

The following table details the Company's sensitivity to a 10% increase and decrease in the UAH exchange rate against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates:

	UAH/USD – impact: profit/(loss) before tax	
	31 December 2022	31 December 2021
Increase by 10%	(69,227)	(99,633)
Decrease by 10%	69,227	99,633

	UAH/EUR – impact: profit/(loss) before tax	
	31 December 2022	31 December 2021
Increase by 10%	-	135
Decrease by 10%	-	(135)

In Ukrainian Hryvnias and in thousands unless otherwise stated

25. FINANCIAL RISK MANAGEMENT POLICIES (continue)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Major categories of financial instruments

The Company's principal financial liabilities comprise borrowings and interests related to them, trade and other accounts payable, other current liabilities. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company's financial assets are represented by cash, trade and other accounts receivable and other financial assets.

	Notes	31 December 2022	31 December 2021
Financial assets			
Cash	14	349,560	48,745
Trade and other accounts receivable	15	264,669	13,560
Other financial assets	17	187,634	141,053
Total financial assets		**801,863**	**203,358**
Financial liabilities			
Borrowings	18	1,397,432	949,443
Trade and other accounts payable	18	111,308	200,742
Interest-free loans from related parties	20	-	362,865
Other current liabilities		9,000	13,037
Total financial liabilities		**1,517,740**	**1,526,087**

Reconciliation of liabilities arising from financing activities

The table below sets out an analysis of liabilities from financing activities and the movements in the Company's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows:

	Liabilities from financing activities		
	Borrowings (Note 18)	**Interest-free from related parties (Note 20)**	**Total**
Liabilities from financing activities at 31 December 2020	**1,182,156**	**356,031**	**1,538,187**
Cash inflows	-	-	-
Cash outflows, other than interest paid	(193,582)	-	(193,582)
Foreign exchange adjustments	(44,492)	(6,417)	(50,909)
Interest payments	(87,102)	-	(87,102)
Interest accrued	87,070	-	87,070
Recognition at amortized cost adjustment	-	13,251	13,251
Other non-cash movements	5,393	-	5,393
Liabilities from financing activities at 31 December 2021	**949,443**	**362,865**	**1,312,308**
Cash inflows	170,209	-	170,209
Cash outflows, other than interest paid	(117,450)	(361,235)	(478,685)
Foreign exchange adjustments	370,991	(6,256)	364,735
Interest payments	(105,742)	-	(105,742)
Interest accrued	124,537	-	124,537
Recognition at amortized cost adjustment	-	4,626	4,626
Other non-cash movements	5,444	-	5,444
Liabilities from financing activities at 31 December 2022	**1,397,432**	**-**	**1,397,432**

In Ukrainian Hryvnias and in thousands unless otherwise stated

25. FINANCIAL RISK MANAGEMENT POLICIES (continue)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle all liabilities as they become due. The Company's liquidity position is carefully monitored and managed. The Company has in place a detailed budgeting and cash forecasting process to help ensure that it has adequate cash available to meet its payment obligations.

The table below shows liabilities at 31 December 2022 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including gross loan commitments. Such undiscounted cash flows differ from the amount included in the statement of financial position because the statement of financial position amount is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

The maturity analysis of financial liabilities at 31 December 2022 is as follows:

	On demand	Less than 3 months	From 3 to 6 months	From 6 to 12 months	In the second year	After two years	Total
Borrowings	1,182,236	-	-	-	-	354,533	1,536,769
Trade and other accounts payable	-	111,327	-	-	-	-	111,327
Other current liabilities	-	9,000	-	-	-	-	9,000
	1,182,236	120,327	-	-	-	354,533	1,657,096

The maturity analysis of financial liabilities at 31 December 2021 is as follows:

	On demand	Less than 3 months	From 3 to 6 months	From 6 to 12 months	In the second year	After two years	Total
Borrowings	977,284	-	-	-	-	-	977,284
Trade and other accounts payable	-	132,228	24,080	48,159	1,818	-	206,285
Interest-free loans from related parties	-	367,463	-	-	-	-	367,463
Other current liabilities	-	13,037	-	-	-	-	13,037
	977,284	512,728	24,080	48,159	1,818	-	1,564,069

25. FINANCIAL RISK MANAGEMENT POLICIES (continue)

Consideration of climate change

The Company management has taken note of global awareness and concerns about the potential impact of climate change. Currently, this matter has had no significant impact on the financial statements, but Management continues to monitor developments in this area.

26. SUBSEQUENT EVENTS

The Company expects to obtain waiver from the lenders covering breach of in terms of technical completion date and shifting it to 31 December 2023 as described in Note 3. The Company plans to further negotiate a waiver for material adverse effect caused by the war. Principal payment of the EBRD and IFC loans outstanding for June 2022 and September 2022 in the sum of USD 3,569 thousand was fully repaid in March 2023 for later repayment, as agreed with the Lenders and remaining payments to be done according to the initial repayment schedule.

27. AUTHORIZATION OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Company's management and authorized for issue on 28 April 2023.

In Ukrainian Hryvnias and in thousands unless otherwise stated

Appendix 1
to National Regulation (Standard) of Accounting 1,
General Requirements for Financial Reporting

		Codes		
Date (year, month, date)		2023	01	01
Company Limited Liability Company "M.V.CARGO"	EDRPOU	32834564		
Territory 60 Stavnitsera St., Vizyrka village, 67543, Odessa region, Ukraine	KOATUU	UA51100110010062502		
Organisational and legal form of economic activity Limited Liability Company	KOPFG	240		
Type of economic activity Other supporting activities in the transport field	KVED	52.29		

Average number of employees 228

Address, telephone 60 Stavnitsera St., Vizyrka village, 67543, Odessa region, Ukraine

Measurement unit: thousands of Hryvnia, no decimal point (except for Section IV of the Statement of Financial Results (Statement of Comprehensive Income) (Form 2) where amounts are stated in Ukrainian hryvnias with kopecks)

Prepared (tick the necessary box):

according to National Regulations (Standards) of Accounting in Ukraine	
according to International Financial Reporting Standards	X

Balance Sheet (Statement of Financial Position)
as at 31 December 2022

Form 1 DKUD code 1801001

ASSETS	Line code	31 December 2021	31 December 2022
1	2	3	4
I. Non-current assets			
Intangible assets	1000	2 160	1 502
historical cost	1001	3 365	3 365
amortisation	1002	1 205	1 863
Construction-in-progress	1005	81 469	104 654
Property, plant and equipment	1010	2 911 590	2 663 065
historical cost	1011	3 383 132	3 347 470
depreciation	1012	471 542	684 405
Investment property	1015	-	-
historical cost	1016	-	-
depreciation	1017	-	-
Long-term biological assets	1020	-	-
historical cost	1021	-	-
depreciation	1022	-	-
Long-term financial investments: accounted for according to the equity method	1030	-	-
other financial investments	1035	-	-
Long-term accounts receivable	1040	-	-
Deferred tax assets	1045	18 525	13 849
Goodwill	1050	-	-
Deferred acquisition costs	1060	-	-
Balance of funds in centralised insurance reserve funds	1065	-	-
Other non-current assets	1090	21 288	38 530
Total Section I	**1095**	**3 035 032**	**2 821 600**

In Ukrainian Hryvnias and in thousands unless otherwise stated

ASSETS	Line code	31 December 2021	31 December 2022
1	2	3	4
II. Current assets			
Inventories	1100	20 479	41 715
production stock	1101	2 966	2 817
goods in-process	1102	-	-
finished goods	1103	-	-
goods for resale	1104	-	-
Current biological assets	1110	-	-
Reinsurance deposits	1115	-	-
Notes received	1120	-	-
Accounts receivable for goods, works and services	1125	13 765	264 820
Accounts receivable on settlements: on advances issued	1130	-	-
with the budget	1135	6 993	7 544
including corporate profit tax prepaid	1136	6 993	7 544
Accounts receivable for settlements on accrued income	1140	-	-
on internal settlements	1145	-	-
Other current accounts receivable	1155	12 325	9 653
Current financial investments	1160	-	-
Cash and cash equivalents	1165	48 745	349 560
cash on hand	1166	-	-
cash in banks	1167	48 745	349 560
Deferred expenses	1170		
Reinsurer's share of insurance reserves	1180	-	-
including in: long-term liabilities reserves	1181	-	-
loss reserves or reserves of due payments	1182	-	-
unearned premium reserves	1183	-	-
Other current assets	1190	141 053	187 635
Total Section II	**1195**	**243 360**	**860 927**
III. Non-current assets held for sale and disposal groups	**1200**	**-**	**-**
BALANCE	**1300**	**3 278 392**	**3 682 527**

LIABILITIES	Line code	31 December 2021	31 December 2022
1	2	3	4
I. Equity			
Registered (share) capital	1400	1 203 533	1 563 810
Non registered (share) capital contributions	1401	3	3
Revaluation reserve	1405	-	
Additional capital	1410	169 031	168 770
Share premium	1411	-	-
Cumulative translation differences	1412	-	-
Reserve capital	1415	-	-
Retained earnings (accumulated deficit)	1420	344 505	371 310
Unpaid capital	1425	-	-
Withdrawn capital	1430	-	-

In Ukrainian Hryvnias and in thousands unless otherwise stated

Total Section I	**1495**	**1 717 072**	**2 103 893**

LIABILITIES	Line code	31 December 2021	31 December 2022
1	2	3	4
II. Long-term liabilities and provisions Deferred tax liabilities	1500	-	-
Retirement benefit liabilities	1505	-	-
Long-term bank borrowings	1510	-	237 594
Other long-term liabilities	1515	1 799	-
Long-term provisions	1520		
including employee benefits	1521	-	-
Special-purpose financing	1525	-	-
Total Section II	**1595**	**1 799**	**237 594**
III. Current liabilities and provisions			
Short-term bank borrowings	1600	949 443	1 159 838
Notes issued	1605	-	-
Current accounts payable on settlements: for long-term liabilities	1610	-	-
for goods, works, services	1615	198 943	111 308
with the budget	1620	5 686	43 809
including liability on corporate profit tax	1621	-	-
for insurance	1625	-	-
on payroll	1630	145	63
on advances received	1635	29 547	17 085
with shareholders	1640	-	-
on internal settlements	1645	-	-
for insurance activity	1650	-	-
Current provisions	1660	12 892	8 937
Deferred income	1665	-	-
Reinsurance deferred commission income	1670	-	-
Other current liabilities	1690	362 865	-
Total Section III	**1695**	**1 559 521**	**1 341 040**
IV. Liabilities associated with non-current assets held for sale and disposal groups	**1700**	**-**	**-**
V. Net asset value of a non-state pension fund	**1800**	**-**	**-**
BALANCE	**1900**	**3 278 392**	**3 682 527**

Company Limited Liability Company "M.V.CARGO"	Date (year, month, date)	2023	01	01
(name)	EDRPOU	32834564		

Statement of Financial Results (Statement of Comprehensive Income)

for the year ended 31 December 2022

Form 2	DKUD code	1801003

I. Financial results

Item	Line code	2022	2021
1	2	3	4
Net revenue from sales of goods works and services	2000	1 039 207	706 566
Cost of sales of goods works and services	2050	(499 943)	(497 310)
Gross: Profit	2090	539 264	209 256
Loss	2095	-	-
Other operating income	2120	7 489	117 103
Administrative expenses	2130	(74 150)	(91 813)
Selling expenses	2150	-	-
Other operating expenses	2180	(11 181)	(73 992)
Financial results from operating activities: Profit	2190	461 422	160 554
Loss	2195	-	-
Income from participation in equity	2200	-	-
Other financial income	2220	207	261
Other income	2240	-	37 760
Financial expenses	2250	(140 125)	(145 810)
Losses from participation in equity	2255	-	-
Other expenses	2270	(290 575)	-
Financial results before taxation: Profit	2290	30 929	52 765
Loss	2295	-	-
Income tax expense	2300	(4 124)	9 489
Profit (loss) from discontinued operations after tax	2305	-	-
Net financial result: Profit	2350	26 805	62 254
Loss	2355	-	-

In Ukrainian Hryvnias and in thousands unless otherwise stated

II. Comprehensive income

Item	Line code	2022	2021
1	2	4	5
Upward (downward) revaluation of non-current assets	2400	-	-
Upward (downward) revaluation of financial instruments	2405	-	-
Accumulated exchange differences	2410	-	-
Share of other comprehensive income of associates and joint ventures	2415	-	-
Other comprehensive income	2445	-	-
Other comprehensive income before tax	**2450**	**-**	**-**
Income tax arising on other comprehensive income	2455	-	-
Other comprehensive income after tax	**2460**	**-**	**-**
Comprehensive income (total of lines 2350, 2355 and 2460)	**2465**	**26 805**	**62 254**

III. Elements of operating expenses

Item	Line code	2022	2021
1	2	3	4
Material expenses	2500	9 766	22 508
Payroll	2505	90 127	108 047
Social payments	2510	17 028	16 763
Depreciation/amortisation	2515	217 280	217 622
Other operating expenses	2520	659 111	428 778
Total	**2550**	**993 312**	**793 718**

IV. Calculation of shares profitability

Item	Line code	2022	2021
1	2	3	4
Average annual number of ordinary shares	2600	-	-
Average annual number of ordinary shares, adjusted	2605	-	-
Net profit (loss) per share	2610	-	-
Net profit (loss) per share, adjusted	2615	-	-
Dividends per share	2650	-	-

In Ukrainian Hryvnias and in thousands unless otherwise stated

		Codes		
Company Limited Liability Company "M.V.CARGO"	Date (year, month, date)	2023	01	01
(name)	EDRPOU	32834564		

Statement of Cash Flows (Indirect method)

for the year ended 31 December 2022

Form 3	DKUD code	1801006

Item	Line code	2022		2021	
		Inflows	outflows	inflows	outflows
1	2	3	4	5	6
I. Cash flows from operating activities Profit (loss) from ordinary activities before taxation	3500	30 929	-	52 765	-
Adjustments for: depreciation of non-current assets	3505	217 280	-	217 622	-
increase (decrease) in provisions	3510	-	-	-	-
non-realised foreign exchange differences	3515	297 133	-	-	36 685
loss (income) from other non-operating and non-cash transactions	3520	756	207	3 825	261
Loss (profit) from participation in equity	3521	-	-	-	-
Changes in assets measured at fair value and gain (loss) on initial recognition	3522	-	-	-	-
Loss (gain) from disposal of non-current assets held for sale and disposal groups	3523	-	-	-	-
Loss (gain) from disposal of financial investments	3524	-	-	-	-
Impairment (reversal of impairment) of non-current assets	3526	-	-	-	-
Financial expenses	3540	140 125	-	145 810	-
Decrease (increase) in current assets	3550	-	-	-	-
Decrease (increase) in inventories	3551	-	7 993	1 678	
Decrease (increase) of current biological assets	3552	-	-	-	-
Decrease (increase) in accounts receivable for goods, works and services	3553	-	249 863	6 003	-
Decrease (increase) in other current accounts receivable	3554	2 672	-	-	3 120
Decrease (increase) in contract assets	3556	-	-	-	-
Decrease (increase) in other current assets	3557	-	-	-	-
Increase (decrease) in current liabilities	3560	-	12 462	29 508	-
Increase (decrease) in current accounts payable for goods, works and services	3561	-	86 790	-	124 210
Increase (decrease) in current accounts payable for settlements with the budget	3562	38 123	-	-	4 963
Increase (decrease) in current accounts payable for settlements on insurance	3563	-	-	-	-
Increase (decrease) in current accounts payable for settlements on payroll	3564	-	-	-	-
Increase (decrease) in contract liabilities	3566	-	-	-	-
Increase (decrease) in other current liabilities	3567	-	4 154	-	790
Cash flows from operating activities	3570	365 549	-	287 182	-
Income tax paid	3580	X	-	X	-
Interest paid	3585	-	105 742	-	87 102
Cash flows from operating activities, net	**3195**	**259 807**	**-**	**200 080**	**-**

In Ukrainian Hryvnias and in thousands unless otherwise stated

Item	Line code	2022		2021	
		inflows	outflows	inflows	outflows
1	2	3	4	5	6
II. Cash flows from investing activities Receipts from sale of: financial investments	3200	-	X	-	X
non-current assets	3205	-	X	-	X
Receipts from: interest received	3215	207	X	261	X
dividends received	3220	-	X	-	X
Receipts from derivatives	3225	-	X	-	X
Receipts from interest-free loans	3230	-	X	-	X
Other receipts	3250	-	X	-	X
Purchases of: financial investments	3255	X	X	X	X
non-current assets	3260	X	52 054	X	47 372
Payments on derivatives	3270	X	-	X	-
Expenditure for loan issue	3275	X	-	X	-
Expenditure on the acquisition of a subsidiary and other business unit	3280	X	-	X	-
Other payments	3290	X	-	X	-
Cash flows from investing activities, net	**3295**	**(51 847)**	**51 847**	**(47 111)**	**47 111**
III. Cash flows from financing activities Receipts from: Equity	3300	360 016	X	-	X
Loans received	3305	170 209	X	-	X
Other receipts	3340	-	X	-	X
Expenditure for: Repurchase of own shares	3345	X	-	X	-
Loans repayment	3350	X	478 685	X	193 582
Payment of dividends	3355	X	-	X	-
Interest paid	3360	X	-	X	-
Other payments	3390	X	-	X	-
Cash flows from financing activities, net	**3395**	**51 540**	**(51 540)**	**(193 582)**	**193 582**
Cash flows for the reporting period, net	**3400**	**259 500**	**-**	**-**	**40 613**
Cash at the beginning of the year	3405	**48 745**	**-**	**93 951**	**-**
Effect of exchange rates on cash balances	3410	**41 315**	**-**	**-**	**4 593**
Cash at the end of the year	3415	**349 560**	**-**	**48 745**	**-**

In Ukrainian Hryvnias and in thousands unless otherwise stated

	Codes		
Date (year, month, date)	2023	01	01
EDRPOU	32834564		

Company Limited Liability Company "M.V.CARGO"
(name)

Statement of Shareholders' Equity
for the year ended 31 December 2022

Form 4 DKUD code 1801005

Item	Line code	Registered (share) capital	Revaluation reserve	Additional capital	Reserve capital	Retained earnings (accumulated deficit)	Unpaid capital	Withdrawn capital	Total
1	2	3	4	5	6	7	8	9	**10**
Balance at the beginning of the year	**4000**	**1 203 536**	**-**	**169 031**	**-**	**344 505**	**-**	**-**	**1 717 072**
Adjustments: Change in accounting policies	4005	-	-	-	-	-	-	-	**-**
Correction of errors	4010	-	-	-	-	-	-	-	**-**
Other changes	4090	-	-	-	-	-	-	-	**-**
Balance at the beginning of the year, adjusted	**4095**	**1 203 536**	**-**	**169 031**	**-**	**344 505**	**-**	**-**	**1 717 072**
Net profit (loss) for the reporting period	**4100**	**-**	**-**	**-**	**-**	**26 805**	**-**	**-**	**26 805**
Other comprehensive income for the reporting period	4110	-	-	-	-	-	-	-	**-**
Profit distribution: Payments to the owners (dividends)	4200	-	-	-	-	-	-	-	**-**
Allocation to the registered capital	4205	-	-	-	-	-	-	-	**-**
Allocation to the reserve capital	4210	-	-	-	-	-	-	-	**-**
Contributions by owners: Capital contributions	4240	360 277	-	(261)	-	-	-	-	360 016
Repayment of unpaid capital	4245	-	-	-	-	-	**-**	-	-
Withdrawal of capital: Repurchase of shares	4260	-	-	-	-	-	-	-	**-**
Sale of treasury shares	4265	-	-	-	-	-	-	-	**-**
Cancellation of treasury shares	4270	-	-	-	-	-	-	-	**-**
Withdrawal of the share in equity	4275	-	-	-	-	-	-	-	**-**
Other changes in equity	4290	-	-	-	-	-	-	-	**-**
Changes in equity, total	**4295**	**-**	**-**	**-**	**-**	**26 805**	**-**	**-**	**26 805**
Balance at the end of the year	**4300**	**1 563 813**	**-**	**168 770**	**-**	**371 310**	**-**	**-**	**2 103 893**