

## Annex of the Report

To clarify the exchange differences in the financial report 2020 we need to issue additional note.

Because of a significant change of UAH/EUR rate during the year 2020, from 26.42 to 34.73, we re-evaluated our assets and liabilities in the 2020 final balance sheet and formed exchange differences.

### Exchange differences breakdown

Property, plant and equipment	8 619 029	Same PPE with different euro evaluation
Inventories	3 753 906	Same inventories with different euro evaluation
Trade and other receivables	1 946 751	UAH receivables euro decrease
Long-term borrowings	- 2 153 068	Loans decrease because euro rate
Trade and other payables	- 2 756 763	Payables decrease because euro rate
Short-term loans	- 2 171 108	Loans decrease because euro rate
Other	370 252	
<b>Exchange differences</b>	<b>- 7 609 000</b>	
Net liabilities decrease before PPE	1 010 030	

This rate exchange movement was good for the company operation wise, as our bank loans and payables are mostly in UAH, and receivables are mostly in EUR, so despite revaluation of our inventories we gained an additional 1m euro.

According to IFRS we should recalculate the fair value of our property, plant and equipment as well. It's the same assets we used for years, but because of the UAH/EUR /EUR decrease we got 8.6m euro extra virtual expenses. It has nothing to do with the Company operations.

As a result of such revaluation we had to show net losses for the first time in our history, having more than 9 millions euro net cash flow from 2020 operations.

It is the first such strong rate movement for the last 5 years and there are no forecasts that it will continue. Today UAH/EUR rate is 32.95 (31/12/20 was 34.73), 5.4% back.