

CEREAL PLANET PLC

REPORT AND FINANCIAL STATEMENTS
31 December 2020

Οι οικονομικές καταστάσεις είναι
πιστά αντίγραφα αυτών που ετέθησαν
ενώπιον της Γενικής Συνέλευσης.
ASK MANAGEMENT LIMITED
.....Διευθυντής
.....Γραμματέας
ASK SECRETARIAL SERVICES LIMITED

CEREAL PLANET PLC

REPORT AND FINANCIAL STATEMENTS 31 December 2020

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CEREAL PLANET PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

ASK Investment Limited
ASK Management Limited
Anatolii Vlasenko

Company Secretary:

ASK Secretarial Services Limited

Independent Auditors:

Elsavco Audit & Tax Limited
Certified Public Accountants and Registered Auditors
90 Grigori Afxentiou Str., 2nd Floor
2369 Agios Dometios
Nicosia, Cyprus

Registered office:

Boumboulinas 11, 3rd Floor
1060 Nicosia
Cyprus

Bankers:

Bank Polski SA

Registration number:

HE304677

CEREAL PLANET PLC

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2020.

Incorporation

The Company Cereal Planet Plc was incorporated in Cyprus on 12 April 2012 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, are that of investment holding and the acquisition and sales of cereal and groats. As of May 2020 the Company suspended its activities as it is planning to re-domicile the Company to Poland.

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 19 of the financial statements.

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2020 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2020.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Independent Auditors

The Independent Auditors, Elsavco Audit & Tax Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors, .



ASK SECRETARIAL SERVICES LIMITED

ASK Secretarial Services Limited
Secretary

Nicosia, 24 May 2021



ELSAVCO
AUDIT & TAX

Independent Auditor's Report

To the Members of Cereal Planet Plc

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Cereal Planet Plc (the "Company"), which are presented in pages 6 to 22 and comprise the statement of financial position as at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Qualified Opinion

We have not been able to test the completeness of the revenue as the invoicing of the Company is not made in a sequential manner.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, no depreciation has been provided in the financial statements. Accordingly, we have concluded that the other information is materially misstated with respect to this matter.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

To the Members of Cereal Planet Plc

Responsibilities of the Board of Directors for the Financial Statements (continued)

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 a true and fair view.

We communicate with the Board of Directors 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.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Independent Auditor's Report (continued)



To the Members of Cereal Planet Plc

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

A handwritten signature in blue ink, appearing to read "Maria Nicolaou", with a large, sweeping flourish underneath.

Maria Nicolaou
Certified Public Accountant and Registered Auditor
for and on behalf of
Elsavco Audit & Tax Limited
Certified Public Accountants and Registered Auditors

Nicosia, 24 May 2021

CEREAL PLANET PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2020

	Note	2020 €	2019 €
Revenue	8	41.418	932.327
Cost of sales		<u>(31.212)</u>	<u>(885.898)</u>
Gross profit		10.206	46.429
Other operating income	9	14.019	27.468
Administration expenses		(18.373)	(58.198)
Net impairment profit/(loss) on financial and contract assets		<u>-</u>	<u>(8.300)</u>
Operating profit		5.852	7.399
Finance costs	11	<u>(3.772)</u>	<u>(4.524)</u>
Profit before tax		2.080	2.875
Tax	12	<u>-</u>	<u>-</u>
Net profit for the year		2.080	2.875
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>2.080</u>	<u>2.875</u>

The notes on pages 10 to 22 form an integral part of these financial statements.

CEREAL PLANET PLC

STATEMENT OF FINANCIAL POSITION

31 December 2020

	Note	2020 €	2019 €
ASSETS			
Non-current assets			
Investments in subsidiaries	13	-	98.749
		-	98.749
Current assets			
Trade and other receivables	14	85.349	203.321
Cash at bank	15	-	1.657
		85.349	204.978
Total assets		85.349	303.727
EQUITY AND LIABILITIES			
Equity			
Share capital	16	53.400	53.400
Share premium		111.200	111.200
Accumulated losses		(148.213)	(150.293)
Total equity		16.387	14.307
Current liabilities			
Trade and other payables	18	68.344	289.420
Borrowings	17	618	-
		68.962	289.420
Total equity and liabilities		85.349	303.727

On 24 May 2021 the Board of Directors of Cereal Planet Plc authorised these financial statements for issue.

ASK INVESTMENT LIMITED

ASK Investment Limited
Director

ASK MANAGEMENT LIMITED

ASK Management Limited
Director

The notes on pages 10 to 22 form an integral part of these financial statements.

CEREAL PLANET PLC

STATEMENT OF CHANGES IN EQUITY

31 December 2020

	Share capital €	Share premium €	Accumula- ed losses €	Total €
Balance at 1 January 2019	53.400	111.200	(153.168)	11.432
Comprehensive income				
Net profit for the year	-	-	2.875	2.875
Total comprehensive income for the year	-	-	2.875	2.875
Balance at 31 December 2019/ 1 January 2020	53.400	111.200	(150.293)	14.307
Comprehensive income				
Net profit for the year	-	-	2.080	2.080
Total comprehensive income for the year	-	-	2.080	2.080
Balance at 31 December 2020	53.400	111.200	(148.213)	16.387

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 10 to 22 form an integral part of these financial statements.

CEREAL PLANET PLC

CASH FLOW STATEMENT

31 December 2020

	Note	2020 €	2019 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2.080	2.875
Adjustments for:			
Impairment charge - investments in subsidiaries	13	-	8.300
		2.080	11.175
Changes in working capital:			
Decrease in trade and other receivables		117.972	118.677
(Decrease)/increase in trade and other payables		(221.076)	399.297
Cash (used in)/generated from operations		(101.024)	529.149
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments in subsidiary undertakings		98.749	-
Net cash generated from investing activities		98.749	-
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net (decrease)/increase in cash and cash equivalents		(2.275)	529.149
Cash and cash equivalents at beginning of the year		1.657	(527.492)
Cash and cash equivalents at end of the year	15	(618)	1.657

The notes on pages 10 to 22 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

1. Incorporation and principal activities

Country of incorporation

The Company Cereal Planet Plc (the "Company") was incorporated in Cyprus on 12 April 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Boumboulinas 11, 3rd Floor, 1060 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are that of investment holding and the acquisition and sales of cereal and groats. As of May 2020 the Company suspended its activities as it is planning to re-domicile the Company to Poland.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), except for the preparation of consolidated financial statements as required by the Cyprus Companies Law, Cap. 113 and by the International Financial Reporting Standard 10 'Consolidated Financial Statements'. The financial statements have been prepared under the historical cost convention.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2020. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

4. Significant accounting policies (continued)

Revenue recognition (continued)

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a Customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a Customer.

- **Rendering of services**

Rendering of services - over time:

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised 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.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

Rendering of services - at a point in time:

The Company concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Work executed**

Work executed is recognised in the accounting period in which the work is carried out by reference to completion of the specific transaction assessed on the basis of the actual work executed provided as a proportion of the total work to be carried out.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

4. Significant accounting policies (continued)

Revenue recognition (continued)

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

4. Significant accounting policies (continued)

Financial assets - Recognition and derecognition (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance 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.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

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

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

Expected losses are recognised and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

4. Significant accounting policies (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

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"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

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 - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

4. Significant accounting policies (continued)

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities. 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.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

4. Significant accounting policies (continued)

Trade receivables (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

6. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

(i) Risk management

Credit risk is managed on a group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of 'C' are accepted. If customers are independently rated, these ratings are used.

Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

6.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

6. Financial risk management (continued)**6.2 Liquidity risk (continued)**

31 December 2020	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Bank overdrafts	618	618	-	618	-	-	-
Trade and other payables	66.142	66.143	-	66.143	-	-	-
	66.760	66.761	-	66.761	-	-	-

31 December 2019	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Trade and other payables	105.096	105.096	-	105.096	-	-	-
Payables to related parties	178.761	178.761	-	178.761	-	-	-
	283.857	283.857	-	283.857	-	-	-

6.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the PLN. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

6.4 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

7. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical judgements in applying the Company's accounting policies

- Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

CEREAL PLANET PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

8. Revenue

The Company derives its revenue from contracts with Customers for the transfer of goods and services over time and at a point in time in the following major product lines.

	2020 €	2019 €
Rendering of services	<u>41.418</u>	<u>932.327</u>
	<u>41.418</u>	<u>932.327</u>

9. Other operating income

	2020 €	2019 €
Exchange profit	-	27.468
Write off of prior year shareholder balances	<u>14.019</u>	<u>-</u>
	<u>14.019</u>	<u>27.468</u>

10. Expenses by nature

	2020 €	2019 €
Changes in inventories of finished goods and work in progress	31.212	885.898
Auditors' remuneration	2.200	5.563
Annual levy	350	350
Stock exchange fees	-	960
Other professional fees	-	54.388
Other expenses	<u>15.823</u>	<u>5.237</u>
Total expenses	<u>49.585</u>	<u>952.396</u>

11. Finance costs

	2020 €	2019 €
Sundry finance expenses	<u>3.772</u>	<u>4.524</u>
Finance costs	<u>3.772</u>	<u>4.524</u>

12. Tax

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2020 €	2019 €
Profit before tax	<u>2.080</u>	<u>2.875</u>
Tax calculated at the applicable tax rates	260	359
Tax effect of expenses not deductible for tax purposes	44	1.081
Tax effect of allowances and income not subject to tax	-	(3.433)
Tax effect of tax losses brought forward	(304)	-
Tax effect of tax loss for the year	<u>-</u>	<u>1.993</u>
Tax charge	<u>-</u>	<u>-</u>

CEREAL PLANET PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

12. Tax (continued)

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

The Company's chargeable income for the year amounted to €2.430 which has been set off against tax losses brought forward.

13. Investments in subsidiaries

	2020 €	2019 €
Balance at 1 January	98.749	8.300
Additions	-	98.749
Disposals	(98.749)	-
Impairment charge	-	(8.300)
Balance at 31 December	-	98.749

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2020 Holding %	2019 Holding %	2019 €
LLC Olimp	Ukraine	Production of flour and groat	-	100	98.749
					98.749

During the year the Company disposed its 100% share in LLC Olimp for a total consideration of EUR98.749.

14. Trade and other receivables

	2020 €	2019 €
Trade receivables	-	200.880
Receivables from associates (Note 20.2)	-	1.860
Shareholders' current accounts - debit balances (Note 20.4)	85.349	581
	85.349	203.32

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the financial statements.

15. Cash at bank

	2020 €	2019 €
Cash at bank and in hand	-	1.657
	-	1.657

CEREAL PLANET PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

15. Cash at bank (continued)

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2020 €	2019 €
Cash at bank and in hand	-	1.657
Bank overdrafts (Note 17)	(618)	-
	<u>(618)</u>	<u>1.657</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

16. Share capital

	2020 Number of shares	2020 €	2019 Number of shares	2019 €
Authorised				
Ordinary shares of €1 each	<u>2.001.000</u>	<u>60.030</u>	<u>2.001.000</u>	<u>60.030</u>
Issued and fully paid				
Balance at 1 January	<u>1.780.000</u>	<u>53.400</u>	<u>1.780.000</u>	<u>53.400</u>
Balance at 31 December	<u>1.780.000</u>	<u>53.400</u>	<u>1.780.000</u>	<u>53.400</u>

17. Borrowings

	2020 €	2019 €
Current borrowings		
Bank overdrafts (Note 15)	<u>618</u>	<u>-</u>

18. Trade and other payables

	2020 €	2019 €
Trade payables	4.912	105.096
Prepayments from clients	61.230	-
Shareholders' current accounts - credit balances (Note 20.5)	-	12.560
Accruals	2.202	5.563
Payables to own subsidiaries (Note 20.3)	-	166.201
	<u>68.344</u>	<u>289.420</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

19. Operating Environment of the Company

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID- 19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

CEREAL PLANET PLC

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

19. Operating Environment of the Company (continued)

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

The Company's Management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary. The Company's Management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its operations in the current business and economic environment.

20. Related party transactions

The Company is controlled by Anatolii Vlasenko, Oleksandr Vlasenko and Oleksandr Slavgorodskyi, who own 32,10%, 28,46% and 28,463% respectively. The remaining shares are in free float on the New Connect Market of the Warsaw Stock Exchange.

The following transactions were carried out with related parties:

20.1 Purchases of goods and services

		2020	2019
	<u>Nature of transactions</u>	€	€
Olimp LLC	Cost of Sales	31.212	883.013
Cereal Polska	Cost of Sales	-	1.856
		<u>31.212</u>	<u>884.869</u>

20.2 Receivables from related parties (Note 14)

		2020	2019
<u>Name</u>	<u>Nature of transactions</u>	€	€
Cereal Polska	Trade	-	1.860
		<u>-</u>	<u>1.860</u>

The receivables from related parties were provided interest free, and there was no specified repayment date.

20.3 Payables to related parties (Note 18)

		2020	2019
<u>Name</u>	<u>Nature of transactions</u>	€	€
Olimp LLC	Trade	-	166.201
		<u>-</u>	<u>166.201</u>

The payables to related parties were provided interest free, and there was no specified repayment date.

20.4 Shareholders' current accounts - debit balances (Note 14)

	2020	2019
	€	€
Oleksandr Vlasenko	28.165	581
Anatoly Vlasenko	28.165	-
Oleksandr Slavgorodskyi	29.019	-
	<u>85.349</u>	<u>581</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

20. Related party transactions (continued)

20.5 Shareholders' current accounts - credit balances (Note 18)

	2020 €	2019 €
Shareholders' current accounts - credit balances	-	12.560
	<u>-</u>	<u>12.560</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

21. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2020.

22. Commitments

The Company had no capital or other commitments as at 31 December 2020.

23. Events after the reporting period

In 2021 the Company commenced the necessary steps for the re-domiciliation of the Company from Cyprus to Poland.

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 3 to 5

ADDITIONAL INFORMATION TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONTENTS	PAGE
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Cost of sales	3
Selling and distribution expenses	4
Finance expenses	5
Computation of corporation tax	6
Calculation of tax losses for the five year period	6

CEREAL PLANET PLC

DETAILED INCOME STATEMENT

31 December 2020

	Page	2020 €	2019 €
Revenue			
Rendering of services		41.418	932.327
Cost of sales	3	<u>(31.212)</u>	<u>(885.898)</u>
Gross profit		10.206	46.429
Other operating income			
Unrealised foreign exchange profit		-	27.468
** Spare ** - taxable income		<u>14.019</u>	<u>-</u>
		24.225	73.897
Operating expenses			
Administration expenses	4	<u>(18.373)</u>	<u>(58.198)</u>
		5.852	15.699
Other operating expenses			
Impairment charge - investments in subsidiaries		<u>-</u>	<u>(8.300)</u>
Operating profit		5.852	7.399
Finance costs	5	<u>(3.772)</u>	<u>(4.524)</u>
Net profit for the year before tax		<u>2.080</u>	<u>2.875</u>

CEREAL PLANET PLC

COST OF SALES

31 December 2020

	2020 €	2019 €
Cost of sales		
Cost of sales	<u>31.212</u>	<u>885.898</u>
	<u>31.212</u>	<u>885.898</u>

CEREAL PLANET PLC

SELLING AND DISTRIBUTION EXPENSES

31 December 2020

	2020 €	2019 €
Administration expenses		
Annual levy	350	350
Subscriptions and contributions	-	2.678
Auditors' remuneration	2.200	5.563
Other professional fees	<u>15.823</u>	<u>49.607</u>
	<u>18.373</u>	<u>58.198</u>

CEREAL PLANET PLC

FINANCE EXPENSES

31 December 2020

	2020 €	2019 €
Finance costs		
Sundry finance expenses		
Bank charges	<u>3.772</u>	4.524
	<u>3.772</u>	<u>4.524</u>

CEREAL PLANET PLC

COMPUTATION OF CORPORATION TAX

31 December 2020

Net profit per income statement	Page 2	€	€ 2.080
<u>Add:</u>			
Annual levy		<u>350</u>	<u>350</u>
Chargeable income for the year			<u>2.430</u>
Loss brought forward			<u>(20.009)</u>
Loss carried forward			<u><u>(17.579)</u></u>

CALCULATION OF TAX LOSSES FOR THE FIVE YEAR PERIOD

Tax year	2015	2016	2017	2018	2019	2020
	€	€	€	€	€	€
Profits/(losses) for the tax year	9.227	(4.066)	36.202	8.354	(15.943)	2.430
Gains Offset (€)	-	2.430	-	-	-	-
- Year		2020				
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						

Net loss carried forward (17.579)