

**LIMITED LIABILITY COMPANY
"DUNAPACK PACKAGING LAND"**

FINANCIAL STATEMENTS
for the year ended 31 December 2019,
with Independent Auditor's Report

FINANCIAL STATEMENTS
for the year ended 31 December 2019

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ЗВІТ НЕЗАЛЕЖНОГО АУДИТОРА

Управлінському персоналу та власникам Товариства з обмеженою відповідальністю "Дунапак Пекеджінг Ленд"

Думка

Ми провели аудит фінансової звітності Товариства з обмеженою відповідальністю "Дунапак Пекеджінг Ленд" ("Компанія") у складі звіту про фінансовий стан на 31 грудня 2019 року, звіту про сукупний дохід, звіту про рух грошових коштів та звіту про власний капітал за рік, що закінчився зазначеною датою, та приміток до фінансової звітності, включаючи стислий виклад значущих облікових політик.

На нашу думку, фінансова звітність, що додається, відображає достовірно, в усіх суттєвих аспектах фінансовий стан Компанії на 31 грудня 2019 р., та її фінансові результати і грошові потоки за рік, що закінчився зазначеною датою, відповідно до Національних положень (стандартів) бухгалтерського обліку України (П(с)БО).

Основа для думки

Ми провели аудит відповідно до Міжнародних стандартів аудиту (МСА). Нашу відповідальність згідно з цими стандартами викладено в розділі "Відповідальність аудитора за аудит фінансової звітності" нашого звіту. Ми є незалежними по відношенню до Компанії згідно з Кодексом етики професійних бухгалтерів, включаючи міжнародні стандарти незалежності, виданим Радою з Міжнародних стандартів етики для бухгалтерів (Кодекс РМСЕБ) та етичними вимогами, застосовними в Україні до нашого аудиту фінансової звітності, а також виконали інші обов'язки з етики відповідно до цих вимог та кодексу РМСЕБ. Ми вважаємо, що отримані нами аудиторські докази є достатніми і прийнятними для використання їх як основи для нашої думки.

Інші питання

Компанія веде бізнес у дуже нестабільному економічному та політичному середовищі. Вплив тривалої економічної кризи та політичних потрясінь в Україні та їх остаточне вирішення непередбачувані та можуть негативно вплинути на економіку України та діяльність Компанії.

Цей звіт призначений виключно для використання управлінським персоналом Компанії та Власниками Компанії та тими, кого наділено найвищими повноваженнями, і не призначений для розповсюдження або використання кимось іншим, крім зазначених сторін.

Відповідальність управлінського персоналу та тих, кого наділено найвищими повноваженнями, за фінансову звітність

Управлінський персонал несе відповідальність за складання і достовірне подання фінансової звітності відповідно до П(с)БО та за таку систему внутрішнього контролю, яку управлінський персонал визначає потрібною для того, щоб забезпечити складання фінансової звітності, що не містить суттєвих викривлень внаслідок шахрайства або помилки.

При складанні фінансової звітності управлінський персонал несе відповідальність за оцінку здатності Компанії продовжувати свою діяльність на безперервній основі, розкриваючи, де це застосовно, питання, що стосуються безперервності діяльності, та використовуючи припущення про безперервність діяльності як основи для бухгалтерського обліку, крім випадків, якщо управлінський персонал або планує ліквідувати Компанію чи припинити діяльність, або не має інших реальних альтернатив цьому.

Ті, кого наділено найвищими повноваженнями, несуть відповідальність за нагляд за процесом фінансового звітування Компанії.

Відповідальність аудитора за аудит фінансової звітності

Нашими цілями є отримання обґрунтованої впевненості, що фінансова звітність у цілому не містить суттєвого викривлення внаслідок шахрайства або помилки, та випуск звіту аудитора, що містить нашу думку. Обґрунтована впевненість є високим рівнем впевненості, проте не гарантує, що аудит, проведений відповідно до МСА, завжди виявить суттєве викривлення, коли воно існує. Викривлення можуть бути результатом шахрайства або помилки; вони вважаються суттєвими, якщо окремо або в сукупності, як обґрунтовано очікується, вони можуть впливати на економічні рішення користувачів, що приймаються на основі цієї фінансової звітності.

Виконуючи аудит відповідно до вимог МСА, ми використовуємо професійне судження та професійний скептицизм протягом усього завдання з аудиту. Крім того, ми:

- ідентифікуємо та оцінюємо ризики суттєвого викривлення фінансової звітності внаслідок шахрайства чи помилки, розробляємо й виконуємо аудиторські процедури у відповідь на ці ризики, а також отримуємо аудиторські докази, що є достатніми та прийнятними для використання їх як основи для нашої думки. Ризик невиявлення суттєвого викривлення внаслідок шахрайства є вищим, ніж для викривлення внаслідок помилки, оскільки шахрайство може включати змову, підробку, навмисні пропуски, неправильні твердження або нехтування заходами внутрішнього контролю;
- отримуємо розуміння заходів внутрішнього контролю, що стосуються аудиту, для розробки аудиторських процедур, які б відповідали обставинам, а не для висловлення думки щодо ефективності системи внутрішнього контролю;
- оцінюємо прийнятність застосованих облікових політик та обґрунтованість облікових оцінок і відповідних розкриттів інформації, зроблених управлінським персоналом;
- доходимо висновку щодо прийнятності використання управлінським персоналом припущення про безперервність діяльності як основи для бухгалтерського обліку та, на основі отриманих аудиторських доказів, робимо висновок, чи існує суттєва невизначеність щодо подій або умов, які поставили б під значний сумнів можливість Компанії продовжити безперервну діяльність. Якщо ми доходимо висновку щодо існування такої суттєвої невизначеності, ми повинні привернути увагу в своєму звіті аудитора до відповідних розкриттів інформації у фінансовій звітності або, якщо такі розкриття інформації є неналежними, модифікувати свою думку. Наші висновки ґрунтуються на аудиторських доказах, отриманих до дати нашого звіту. Втім майбутні події або умови можуть примусити Компанію припинити свою діяльність на безперервній основі;
- оцінюємо загальне подання, структуру та зміст фінансової звітності включно з розкриттями інформації, а також те, чи показує фінансова звітність операції та події, що покладені в основу її складання, так, щоб досягти достовірного відображення.

Ми повідомляємо тим, кого наділено найвищими повноваженнями, інформацію про запланований обсяг і час проведення аудиту та суттєві аудиторські результати, включаючи будь-які суттєві недоліки заходів внутрішнього контролю, виявлені нами під час аудиту.

Ключовим партнером із завдання з аудиту, результатом якого є цей звіт незалежного аудитора, є Сергій Федорук.

Заступник директора з аудиту ТОВ "Нексія ДК Аудит"
Сергій Федорук
Місто Київ, 2 березня 2020 року



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

The hereinafter statement, which should be considered together with the description of the duties of independent auditor, included in the above presented Independent Auditor's Report, is made in order to differentiate between the responsibilities of the management of Limited Liability Company "Dunapack Packaging Land" (the "Company") and mentioned independent auditors as to the financial statements of the Company.

Management of the Company is responsible for the preparation of the financial statements that present fairly in all material aspects the financial position of the Company as at 31 December 2019, in accordance with Ukrainian accounting standards ("UAS").

In the course of preparation of financial statements the management of the Company is responsible for:

- Selecting and applying appropriate accounting policies;
- Applying reasonable estimates and assumptions;
- Following the corresponding UASs and disclosure of all material variances in the notes to the financial statements;
- Preparation of the financial statements based on the assumption that the Company will continue as going concern except the cases when such assumption is illegal.

Management is also responsible for:

- Designing, implementing and maintaining the effective and reliable internal control;
- Support of the accounting system which enables to prepare the information concerning the financial position of the Company with an appropriate level of accuracy at any time and guarantee the compliance of the financial statements with the requirements of UASs;
- Taking measures within one's competence in order to ensure safekeeping of the assets of the Company;
- Prevention and detection of frauds and other abuses.

The Company's financial statements as of 31 December 2019 were approved by its management on 2 March 2020.



Director General / Hnatyuk N.Y.

(Position, Name)



LLC "DUNAPACK PACKAGING LAND"

Appendix 1
To Ukrainian Accounting Standard 1
"General requirements to financial statements»

Entity: Limited Liability Company "Dunapack Packaging Land"
Territory: Lviv region
Type of an entity: Limited Liability Company
Type of economic activity: Production of corrugated paper and cardboard, paper and cardboard packaging
Average number of employees: 1
Measuring unit: Thousands of UAH
Address: Lviv, 79020, Vyacheslav Chornovola ave., 67g

Date (year month day)
acc. to EDRPOU
acc. to KOATUU
acc. to KOPFG
acc. to KVED

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STATEMENT OF FINANCIAL POSITION
as of 31 December 2019

Form № 1

DKUD

1801001

Assets	Item No	At the beginning of the year	At the end of the year
1	2	3	4
I. Non-current assets			
Intangible assets:	1000	-	-
cost	1001	-	-
accumulated amortization	1002	-	-
Construction-in-progress	1005	-	87 028
Property, Plant and Equipment:	1010	-	-
cost	1011	-	-
accumulated depreciation	1012	-	-
Investment property	1015	-	-
cost	1016	-	-
accumulated depreciation	1017	-	-
Long-term financial investments:		-	-
accounted according to equity method	1030	-	-
other financial investments	1035	-	-
Long-term trade receivables	1040	-	-
Deferred tax assets	1045	-	-
Other non-current assets	1090	-	-
Total, Non-current assets	1095	-	87 028
II. Current assets			
Inventories	1100	-	-
Raw materials and supplies	1101	-	-
Work in progress	1102	-	-
Finished goods	1103	-	-
Merchandise	1104	-	-
Trade receivables	1125	-	-
Receivables from:		-	-
Prepayments	1130	-	-
state budget	1135	-	-
including income tax receivable	1136	-	-
Receivables from accrued income	1140	-	-
Receivables from internal transactions	1145	-	-
Other receivables	1155	-	-
Cash and cash equivalents	1165	-	15
Petty cash	1166	-	-
Current bank accounts	1167	-	15
Deferrals	1170	-	-
Other current assets	1190	-	-
Total, Current assets	1195	-	15
III. Non-current assets held for sale and discontinued operations			
	1200	-	-
TOTAL	1300	-	87 043

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

LLC "DUNAPACK PACKAGING LAND"

Equity capital and Liabilities	Item No	At the beginning of the year	At the end of the year
1	2	3	4
I. Equity capital			
Authorized capital	1400	-	87 270
Revaluation surplus	1405	-	-
Additional capital	1410	-	-
Capital reserves	1415	-	-
Retained earnings	1420	-	(288)
Unpaid capital	1425	-	-
Bought out capital	1430	-	-
Other reserves	1435	-	-
Total, Equity capital	1495	-	86 982
II. Long-term liabilities and provisions			
Deferred tax liabilities	1500	-	-
Pension plan liabilities	1505	-	-
Long-term bank loans	1510	-	-
Other long-term liabilities	1515	-	-
Long-term provisions	1520	-	-
Long-term provisions on payments to employees	1521	-	-
Special-purpose financing	1525	-	-
Total, Long-term liabilities and provisions	1595	-	-
III. Current liabilities			
Short-term bank loans	1600	-	-
Payables for:			
long-term liabilities	1610	-	-
trade payables	1615	-	-
payables to state budget	1620	-	-
including income tax payable	1621	-	-
payables for insurance	1625	-	-
payables to employees	1630	-	1
advances received	1635	-	-
payables to equity owners	1640	-	-
internal payments	1645	-	-
Current provisions	1660	-	60
Deferred income	1665	-	-
Other current liabilities	1690	-	-
Total, Current liabilities	1695	-	-
IV. Liabilities arising from non-current assets held for sale and discontinued operations	1700	-	61
TOTAL	1900	-	87 043

Director General



Hnatyuk Nataliia Yaroslavivna

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

**STATEMENT
OF COMPREHENSIVE INCOME
for the year 2019**

Form № 2

DKUD

1801003

I. PROFIT AND LOSS

Item 1	Item No 2	2019 3	2018 4
Revenue	2000	-	-
Cost of sales	2050	-	-
Gross:			
profit	2090	-	-
loss	2095	-	-
Other operating income	2120	-	-
Administrative expenses	2130	(288)	-
Selling expenses	2150	-	-
Other operating expenses	2180	-	-
Result from operating activities:			
profit	2190	-	-
loss	2195	(288)	-
Equity method income	2200	-	-
Other financial income	2220	-	-
Other income	2240	-	-
Financial expenses	2250	-	-
Equity method loss	2255	-	-
Other expenses	2270	-	-
Result before income tax:			
profit	2290	-	-
loss	2295	(288)	-
Income tax	2300	-	-
Profit (loss) from discontinued operations after tax	2305	-	-
Net result for the year:			
profit	2350	-	-
loss	2355	(288)	-

II. OTHER COMPREHENSIVE INCOME

Item 1	Item No 2	2019 3	2018 4
Revaluation of non-current assets	2400	-	-
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 income tax	2450	-	-
Income tax on other comprehensive income	2455	-	-
Other comprehensive income after tax	2460	-	-
Comprehensive income (items 2350, 2355 and 2460)	2465	(288)	-

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

III. OPERATING EXPENSES

Item	Item No	2019	2018
1	2	3	4
Cost of materials used	2500	-	-
Payroll	2505	11	-
Social insurance contributions	2510	2	-
Depreciation and amortization	2515	-	-
Other operating expenses	2520	275	-
Total	2550	288	-

IV. EARNINGS PER SHARE

Item	Item No	2019	2018
1	2	3	4
Average number of ordinary shares	2600	-	-
Diluted average number of ordinary shares	2605	-	-
Earnings per share	2610	-	-
Diluted earnings per share	2615	-	-
Dividends per share	2650	-	-

Director General



Hnatyuk Nataliia Yaroslavivna

**STATEMENT
OF CASH FLOW
(direct method)
for the year 2019**

Form № 3

DKUD

1801004

Item	Item No	2019	2018
1	2	3	4
I. Cash flows from operating activities			
Proceeds from:			
Realization of products (goods, works, services)	3000	-	-
Return of taxes and fees	3005	-	-
including value-added tax	3006	-	-
Special-purpose funding	3010	-	-
Advances received from customers	3015	-	-
Proceeds of prepayments return	3020	-	-
Interest received from current bank accounts	3025	-	-
Proceeds of fines and fees from debtors	3035	-	-
Other proceeds	3095	-	-
Payments for:			
Goods (works, services)	3100	-	-
Salary	3105	(8)	-
Contribution to social funds	3110	(2)	-
Obligations on taxes and fees	3115	(212)	-
Payments of VAT	3117	-	-
Payments for other taxes and fees	3118	(212)	-
Prepayments made	3135	(87 030)	-
Return of advances received	3140	-	-
Other payments	3190	(3)	-
Net cash flows from operating activities	3195	(87 255)	-
II. Cash flows from investing activities			
Proceeds from:			
financial investments	3200	-	-
non-current assets	3205	-	-
Proceeds from:			
interests	3215	-	-
dividends	3220	-	-
Payments for:			
financial investments	3255	-	-
non-current assets	3260	-	-
Other payments	3290	-	-
Net cash flows from investing activities	3295	-	-

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

III. Cash flows from financing activities			
Proceeds from:			
Equity capital	3300	87 270	-
Loans received	3305	-	-
Other receipts	3340	-	-
Payments for:			
Buy out of shares	3345	-	-
Redemption of loans	3350	-	-
Dividends	3355	-	-
Interest expense	3360	-	-
Other payments	3390	-	-
Net cash flows from financing activities	3395	87 270	-
Net increase (decrease) in cash and cash equivalents	3400	15	-
Cash and cash equivalents at beginning of period	3405	-	-
Effect of foreign exchange rates on cash and cash equivalents	3410	-	-
Cash and cash equivalents at end of period	3415	15	-

Director General



Hnatyuk Nataliia Yaroslavivna

STATEMENT OF CHANGES IN EQUITY
for the year 2018

From № 4 DKUD 1801005

Item	Item No	Authorized capital	Revaluation surplus	Additional capital	Capital reserves	Retained earnings	Unpaid capital	Bought out capital	Total	
	1	2	3	4	5	6	7	8	9	10
At the beginning of the year	4000	-	-	-	-	-	-	-	-	-
Adjustments:										
Changes in accounting policies	4005	-	-	-	-	-	-	-	-	-
Correction of errors	4010	-	-	-	-	-	-	-	-	-
Other changes	4090	-	-	-	-	-	-	-	-	-
At the beginning of the year, adjusted	4095	-	-	-	-	-	-	-	-	-
Net result for the year	4100	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	4110	-	-	-	-	-	-	-	-	-
Revaluation of non-current assets	4111	-	-	-	-	-	-	-	-	-
Other comprehensive income	4116	-	-	-	-	-	-	-	-	-
Earnings distributions:										
Dividends	4200	-	-	-	-	-	-	-	-	-
Transfer to capital reserves	4210	-	-	-	-	-	-	-	-	-
Owners contributions:										
Contributions to capital	4240	-	-	-	-	-	-	-	-	-
Payments on unpaid capital	4245	-	-	-	-	-	-	-	-	-
Capital outflow:										
Shares buy out	4260	-	-	-	-	-	-	-	-	-
Cancellation of shares bought out	4270	-	-	-	-	-	-	-	-	-
Other changes in capital	4290	-	-	-	-	-	-	-	-	-
Total changes in capital	4295	-	-	-	-	-	-	-	-	-
At the end of the year	4300	-	-	-	-	-	-	-	-	-

Director General

Hnatyuk Nataliia Yaroslavivna



These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

STATEMENT OF CHANGES IN EQUITY
for the year 2019

From № 4

DKUD

1801005

Item	Item No	Authorized capital	Revaluation surplus	Additional capital	Capital reserves	Retained earnings	Unpaid capital	Bought out capital	Total	
	1	2	3	4	5	6	7	8	9	10
At the beginning of the year	4000	-	-	-	-	-	-	-	-	-
Adjustments:										
Changes in accounting policies	4005	-	-	-	-	-	-	-	-	-
Correction of errors	4010	-	-	-	-	-	-	-	-	-
Other changes	4090	-	-	-	-	-	-	-	-	-
At the beginning of the year, adjusted	4095	-	-	-	-	-	-	-	-	-
Net result for the year	4100	-	-	-	-	(288)	-	-	-	(288)
Other comprehensive income for the year	4110	-	-	-	-	-	-	-	-	-
Revaluation of non-current assets	4111	-	-	-	-	-	-	-	-	-
Other comprehensive income	4116	-	-	-	-	-	-	-	-	-
Earnings distributions:										
Dividends	4200	-	-	-	-	-	-	-	-	-
Transfer to capital reserves	4210	-	-	-	-	-	-	-	-	-
Owners contributions:										
Contributions to capital	4240	87 270	-	-	-	-	(87 270)	-	-	-
Payments on unpaid capital	4245	-	-	-	-	-	87 270	-	-	87 270
Capital outflow:										
Shares buy out	4260	-	-	-	-	-	-	-	-	-
Cancellation of shares bought out	4270	-	-	-	-	-	-	-	-	-
Other changes in capital	4290	-	-	-	-	-	-	-	-	-
Total changes in capital	4295	87 270	-	-	-	(288)	-	-	-	86 982
At the end of the year	4300	87 270	-	-	-	(288)	-	-	-	86 982



Hnatyuk Nataliia Yaroslavivna

Director General

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

LLC "DUNAPACK PACKAGING LAND"

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2019

(in thousands of UAH, unless otherwise specified)

APPROVED
The order of Ministry of Finance of Ukraine
29.11.2000 N9302

CODES	
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Date (year month day)
acc. to EDRPOU
acc. to KOATUU
acc. to SPODU
acc. to KOPFG
acc. to KVED

Entity: Limited Liability Company «Dunapack Packaging Land »

Territory: Lviv region

Type of an entity: Limited Liability Company

Type of economic activity: Production of corrugated paper and cardboard, paper and cardboard packaging

Measuring unit: Thousands of UAH

NOTES
TO FINANCIAL STATEMENTS
for the year 2019

Form № 5 DKUD

1801008

I. INTANGIBLE ASSETS

Class of intangible assets	Item No	At the beginning of the year		Additions	Revaluation of		Disposals		Amortization for the year	Impairment for the year	Other changes		At the end of the year	
		cost (revalued cost)	accumulated amortization		cost (revalued cost)	accumulated amortization	cost (revalued cost)	accumulated amortization			cost (revalued cost)	accumulated amortization		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Copyright and other similar rights	050	-	-	-	-	-	-	-	-	-	-	-	-	-
Other intangible assets	070	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	080	-	-	-	-	-	-	-	-	-	-	-	-	-

Item no 080 column 14

gross carrying amount of intangible assets whose title is restricted
gross carrying amount of intangible assets pledged as security for liabilities

gross carrying amount of self-constructed intangible assets

gross carrying amount of intangible assets received for appropriated funds

accumulated amortization of intangible assets whose title is restricted

(081) -
(082) -
(083) -
(084) -
(085) -

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

LLC "DUNAPACK PACKAGING LAND"

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2019

(in thousands of UAH, unless otherwise specified)

II. PROPERTY, PLANT AND EQUIPMENT

Class of Property, Plant and equipment	Item No	At the beginning of the year		Additions	Revaluation of		Disposals		Depreciation for the year	Impairment of PPE	Other changes		At the end of the year		Including			
		cost (revalued cost)	accumulated depreciation		cost (revalued cost)	accumulated depreciation	cost (revalued cost)	accumulated depreciation			cost (revalued cost)	accumulated depreciation	cost (revalued cost)	accumulated depreciation	cost (revalued cost)	accumulated depreciation	cost (revalued cost)	accumulated depreciation
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Land	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings and structures	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport vehicles	140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other fixed assets	180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library fixed assets	190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Low-value items	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	260	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Item no 260 column 14

gross carrying amount of property, plant and equipment whose title is restricted
gross carrying amount of property, plant and equipment pledged as security for liabilities
carrying amount of temporarily idle property, plant and equipment
gross carrying amount of fully depreciated property, plant and equipment

(261)
(262)
(263)

Item no 260 column 8

gross carrying amount of property, plant and equipment held for sale

Item no 260 column 5

gross carrying amount of property, plant and equipment received for appropriated funds

Item no 260 column 15

gross carrying amount of property, plant and equipment received under operating lease agreements

Item no 105 column 14

accumulated depreciation of property, plant and equipment whose title is restricted
gross carrying amount of investment property valued at fair value

(264)
(265)
(266)
(267)
(268)
(269)

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2019
(in thousands of UAH, unless otherwise specified)

III. CAPITAL EXPENDITURE

Item	Item No	For the year 2018	At the end of the year
1	2	3	4
Purchase (construction) of property, plant and equipment	290	87 028	87 028
Purchase (construction) other non-current tangible assets	300	-	-
Purchase (creation) of intangible assets	310	-	-
Other	330	-	-
Total	340	87 028	87 028

Item no 340 column 3			
capital expenditure on investment property		(341)	-
financial expenses capitalized		(342)	-

IV. FINANCIAL INVESTMENTS

Item	Item No	For the year 2018	At the end of the year	
			Non-current	Current
1	2	3	4	5
A. Financial investments by methods				
equity:				
associates	350	-	-	-
subsidiaries	360	-	-	-
joint ventures	370	-	-	-
B. Other financial investments:				
shares in charter capital of other enterprises	380	-	-	-
stocks	390	-	-	-
bonds	400	-	-	-
other	410	-	-	-
Total	420	-	-	-

Item no 1035 column 4 Statement of financial position	Other non-current financial assets presented:		
	by cost	(421)	-
	by fair value	(422)	-
	by amortised cost	(423)	-
Item no 1160 column 4 Statement of financial position	Current financial investments presented:		
	by cost	(424)	-
	by fair value	(425)	-
	by amortised cost	(426)	-

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2019
(in thousands of UAH, unless otherwise specified)

V. INCOME AND EXPENSES

Item 1	Item No 2	Income 3	Expenses 4
A. Other operating income and expenses			
Operating lease	440	-	-
Operational currency exchange difference	450	-	-
Sale of other current assets	460	-	-
Fines and penalties	470	-	-
Other operating income and expenses	490	-	-
including: deductions to the reserve of doubtful debts	491	X	-
Productive costs and losses	492	X	-
B. Other financial income and expenses			
Dividends	530	-	X
Interest	540	X	-
Other financial income and expenses	560	-	-
Г. Other income and expenses			
Result of utility evaluation	590	-	-
Assets received free of charge	610	-	X
Disposals of fixed assets	620	X	-
Other income and expenses	630	-	-

Barter transactions	(631)	-
Percentage of revenue from barter transactions	(632)	- %
Item no 540-560 column 4 financial expenses included in cost of sales	(633)	-

VI. CASH AND CASH EQUIVALENTS

Item 1	Item No 2	At the end of the year 3
Petty cash	640	-
Current bank account	650	15
Other bank accounts (letters of credit, checkbooks)	660	-
Cash in transit	670	-
Total	690	15

Item 1090 column 4 of the Statement of financial position Cash and cash equivalent balances that are not available for use	(691)	-
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NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2019
(in thousands of UAH, unless otherwise specified)

VII. PROVISIONS

Type of provision	Item No	At the beginning of the year	Additions		Amounts used during the period	Unused amounts reversed during the period	Amount of expected reimbursement by third party taken into account while estimating a provision	At the end of the year
			Additional provisions made	Additional accruals				
1	2	3	4	5	6	7	8	9
Provision for vacation commitments	710	-	-	-	-	-	-	-
Pension plan liabilities	720	-	-	-	-	-	-	-
Provisions on restructuring	740	-	-	-	-	-	-	-
Other provisions	760	-	60	-	-	-	60	60
Reserve of doubtful debts	775	-	-	-	-	-	-	-
Total	780	-	60	-	-	-	60	60

VIII. INVENTORIES

Item	Item No	Carrying amount at the end of the year	Revaluation	
			Reversal of write-down	Write-down
1	2	3	4	5
Raw materials	800	-	-	-
Fuel	820	-	-	-
Tare and packing materials	830	-	-	-
Spare parts	850	-	-	-
Low-value and weary items	880	-	-	-
Work in progress	890	-	-	-
Finished goods	900	-	-	-
Goods	910	-	-	-
Total	920	-	-	-

Item no 920 column 3 carrying amount of inventories:		
carried at fair value less costs to sell	(921)	—
under processing	(922)	—
pledged as security for liabilities	(923)	—
transferred under commission agreements	(924)	—
Inventories held under safe custody (off balance sheet account 02)	(925)	—
Item no 1200 column 4 of the Statement of financial position		
Inventories held for sale	(926)	—

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2019
(in thousands of UAH, unless otherwise specified)

IX. TRADE RECEIVABLES

Item	Item No	Carrying amount at the end of the year	Aging		
			less than 12 months	from 12 to 18 months	from 18 to 36 months
1	2	3	4	5	6
Trade receivables	940	-	-	-	-
Other receivables	950	-	-	-	-

Bad debts write off for the reporting period	(951)	-
From items no 940 and 950 column 3: receivables from related parties	(952)	-

X. LOSSES AND SHORTAGES RESULTING FROM DAMAGES

Line	Line code	Value
1	2	3
Losses and shortages identified (written off) during the year	960	-
Recognized debts of guilty persons during the year	970	-
Losses and shortages in respect of which guilty persons are not identified (off-balance sheet account 072)	980	-

XI. CONSTRUCTION CONTRACTS

Line	Line code	Value
1	2	3
Revenue from construction contracts for reporting year	1110	-
Amounts outstanding at the reporting period end:		
Gross receivables due from customers	1120	-
Gross payables due to customers	1130	-
Advances received	1140	-
Overdue amounts at the year end	1150	-
Cost of works by subcontractors on construction contracts in progress	1160	-

XII. INCOME TAX

Item	Item No	Amount
1	2	3
Current tax expense	1210	-
Deferred tax assets:		
at the beginning of the year	1220	-
at the end of the year	1225	-
Deferred tax liabilities:		
at the beginning of the year	1230	-
at the end of the year	1235	-
Included in the statement comprehensive income:		
current tax expense	1240	-
decrease (increase) in deferred tax assets	1241	-
increase (decrease) in deferred tax liabilities	1242	-
Included in the statement of changes in equity:		
current tax expense	1243	-
decrease (increase) in deferred tax assets	1250	-
increase (decrease) in deferred tax liabilities	1251	-
	1252	-
	1253	-

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2019
(in thousands of UAH, unless otherwise specified)

XIII. USE OF DEPRECIATION CHARGES

Item 1	Item No 2	Amount 3
Accrued for the year	1300	-
Used during the year	1310	-
Including:		
construction of objects	1311	-
purchase (construction) and modernization of property, plant and equipment	1312	-
including machinery and equipment	1313	-
purchase (construction) of intangible assets	1314	-
Purchase (construction) other non-current assets	1316	-

LLC "DUNAPACK PACKAGING LAND"

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2019

(in thousands of UAH, unless otherwise specified)

XIV. BIOLOGICAL ASSETS

Biological assets group	Line code	At cost														At fair value			
		Balance at the beginning of the year		Additions	Disposed of		Depreciation charge	Impairment loss	Income from recovery of impairment	Balance at the end of the year		Balance at the beginning of the year	Additions	Change in fair value	Disposed of	Balance at the end of the year			
		Cost	Accumulated depreciation		Cost	Accumulated depreciation				Cost	Accumulated depreciation								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Long-term biological assets - total																			
including:																			
Working livestock	1411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Productive livestock	1412	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Perennial plants	1413	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other long-term biological assets	1415	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Current biological assets - total																			
including:																			
Livestock	1421	-	X	X	-	X	X	X	-	-	X	-	-	-	-	-			
Biological assets in process of biological transformation (except for livestock)	1422	-	X	-	-	X	X	-	-	-	X	-	-	-	-	-			
Other current biological assets	1424	-	X	-	-	X	X	X	-	-	X	-	-	-	-	-			
Total	1430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			

From line 1430 column 5 and column 14

Value of biological assets purchased through special-purpose financing (1431)

From line 1430 column 6 and column 16

Net book value of long-term biological assets, cost of current biological assets and fair value of biological assets lost as a result of force majeure (1432)

From line column 11 and column 17

Carrying amount of biological assets with restricted ownership rights (1433)

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

LLC "DUNAPACK PACKAGING LAND"

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2019

(in thousands of UAH, unless otherwise specified)

XV. FINANCE RESULTS FROM INITIAL RECOGNITION AND REALIZATION OF AGRICULTURAL PRODUCE AND ADDITIONAL BIOLOGICAL ASSETS

Line	Line code	Initial recognition value	Expenses related to biological transformation	Result from initial recognition		Impairment	Revenue from sales	Cost of sales	Financial result (profit +, loss -) from	
				Gain	Loss				Realization	Initial recognition and realization
1	2	3	4	5	6	7	8	9	10	11
Agricultural produce and additional biological assets in plant growing – total										
including:	1500	-	-	-	-	-	-	-	-	-
cereals and legumes	1510	-	-	-	-	-	-	-	-	-
From them:										
Wheat	1511	-	-	-	-	-	-	-	-	-
Soy	1512	-	-	-	-	-	-	-	-	-
Sunflower	1513	-	-	-	-	-	-	-	-	-
Rapeseed	1514	-	-	-	-	-	-	-	-	-
Sugar beetroots	1515	-	-	-	-	-	-	-	-	-
Potatoes	1516	-	-	-	-	-	-	-	-	-
Fruit (berry, drupaceous)	1517	-	-	-	-	-	-	-	-	-
Other agricultural produce – plant growing	1518	-	-	-	-	-	-	-	-	-
Additional biological assets – plant growing	1519	-	-	-	-	-	-	-	-	-
Agricultural produce and additional biological assets in livestock breeding – total										
including:	1520	-	-	-	-	-	-	-	-	-
Gain in weight – total	1530	-	-	-	-	-	-	-	-	-
From them:										
Cattle	1531	-	-	-	-	-	-	-	-	-
Pigs	1532	-	-	-	-	-	-	-	-	-
Milk	1533	-	-	-	-	-	-	-	-	-
Wool	1534	-	-	-	-	-	-	-	-	-
Eggs	1535	-	-	-	-	-	-	-	-	-
Other agricultural produce – livestock breeding	1536	-	-	-	-	-	-	-	-	-
Additional biological assets – livestock breeding	1537	-	-	-	-	-	-	-	-	-
Agricultural produce – fishing	1538	-	-	-	-	-	-	-	-	-
Agricultural produce and additional biological assets - total	1540	-	-	-	-	-	-	-	-	-



Hnatyuk Nataliia Yaroslavivna

Director General

These financial statements should be read in conjunction with the attached notes, being the integral part hereof.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

(In thousands of UAH, unless otherwise stated)

1. Information about the company and core lines of business

Limited Liability Company "Dunapack Packaging Land" (hereinafter - the "Company") was established in 2019.

The Company is a subsidiary of Dunapack-Ukraine LLC. Dunapack-Ukraine LLC is a legal entity, which was founded under Ukrainian law. As of 31 December 2019 Dunapack-Ukraine LLC has been the sole owner of the Company.

Address: Ukraine, 79020, Lviv oblast, Lviv, Vyacheslav Chornovola ave., 67g.

2. Company's operating environment in Ukraine

The Company's operations are carried out in Ukraine. The Ukrainian economy continues to display certain characteristics consistent with that of an economy in transition. These characteristics include, but are not limited to, low levels of liquidity in the capital markets, high inflation and the existence of currency controls which cause the national currency to be illiquid outside of Ukraine. The stability of the Ukrainian economy is significantly impacted by the Government's policies and actions with regard to administrative, legal, and economic reforms.

Also, Ukraine continued to limit its political and economic ties with Russia, given annexation of Crimea, an autonomous republic of Ukraine, and an armed conflict with separatists in certain parts of Luhansk and Donetsk regions. Amid such events, the Ukrainian economy demonstrated further refocusing on the European Union ("EU") market realizing all potentials of established Deep and Comprehensive Free Trade Area ("DCFTA") with EU, in such a way effectively reacting to mutual trading restrictions imposed between Ukraine and Russia. As a result, the weight of the export and import to/from Russia substantially fell from 18.2% and 23.3% in 2014 to around 6.5% and 11.6% in January-November 2019, respectively.

In 2019, annual inflation rate amounted to 4,1% compared to 9.8% in 2018. The Ukrainian economy proceeded recovery from the economic and political crisis of previous years that resulted in economic smooth growth and stabilization of national currency.

In terms of currency regulations, the new currency law was adopted in 2018 and came into force on 7 February 2019. It purports to enable the NBU to promulgate more liberal currency regulation and soften a number of currency restrictions.

Further stabilization of the economic and political situation depends, to a large extent, upon success of the Ukrainian government's efforts, yet further economic and political developments are currently difficult to predict.

The financial statements reflect the estimate by the key management of the potential impact of the economic situation in Ukraine on the operating activities and financial position of the Company. Further changes in the country's economic situation can differ considerably from the management's estimate.

3. Summary of significant accounting policies

General information

These financial statements have been prepared in accordance with Ukrainian accounting standards ("UAS") that approved by the Ministry of Finance of Ukraine and registered by the Ministry of Justice of Ukraine and are effective as of reporting date.

The functional and presentation currency of these financial statements of the Company is Ukrainian hryvnia. The financial statements have been prepared in thousands of UAH, unless otherwise specified.

The Company uses the following main accounting policies for preparation of the financial statements:

Functional currency

The functional currency of the Company is Ukrainian Hryvnia ("UAH"), being the currency of the environment in which all business transactions are performed. Operations in currencies other than UAH are considered transactions in foreign currencies.

Transactions in foreign currencies

Transactions in a foreign currency are recorded in UAH at the exchange rate prevailing on the beginning of the date of the transaction.

All income, expenses and balances denominated in foreign currencies are translated into UAH using the official exchange rate by National Bank of Ukraine.

Foreign exchange currency differences concerning monetary assets and liabilities are recognized at the reporting date and at the date of transaction within the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

(In thousands of UAH, unless otherwise stated)

Foreign currency exchange rates in which financial instruments of the Company are denominated in relation to UAH, according to the National Bank of Ukraine ("NBU"), were as follows:

	At 31 December 2019	Average for 2019	At 31 December 2018	Average for 2018
UAH/ USD	23,6862	25,8456	27,6883	27,2175
UAH/ EUR	26,4220	28,9518	31,7141	32,1289

Significant accounting estimates and judgments

Preparation of the financial statements requires from the Company's management to make estimates and assumptions which influence the presentation in the financial statements of the amounts of assets and liabilities, income and expenses recognized in the financial statements, as well as the disclosure of information about contingent assets and liabilities.

These management estimates and assumptions are based on the information available on the date of preparation of the financial statements. Actual results can differ from the current estimates. These estimates and assumptions are regularly reviewed, and, if adjustments are necessary, such adjustments are presented in profit and loss in the period in which it became known about them. Information on the most significant accounting judgments and assumptions of the Company's management is presented below.

Impairment of non-current assets

At each reporting date the Company assesses whether there are indicators of possible impairment of a specific asset or a group of assets forming a cash generating unit. The evaluation of impairment of non-current assets requires application of estimates which include determining the reason, time, and the amount of impairment. The estimation of impairment is based on a number of factors such as change in current competitive environment, expectation of the expansion of industry, increase in cost of capital, changes in future accessibility of financing, technological deterioration, termination of a certain type of activity, current cost of reimbursement, and other changes in circumstances leading to the recognition of impairment.

At the reporting dates presented in these financial statements, the estimate of the recoverable amount was higher than carrying amount of assets, therefore no impairment loss was identified.

Going concern assumption

In the foreseeable future the Company could suffer from the effect of unstable economy of the country. Due to this fact, there is uncertainty which may affect future operations and the possibility of recovering the value of the Company's assets, as well as its ability to maintain and repay its liabilities as they fall due.

The financial statements of the Company have been prepared on the basis of the going concern assumption, which means realization of assets and repayment of liabilities in the course of ordinary activities. Therefore, the financial statements do not contain any adjustments, which could have been necessary if the Company were not able to continue its activity in the future and if it were realizing its assets not in the course of its ordinary activities.

Expenses

Expenses are recognized in accordance with UAS 16 "Expenses". Expenses are recognised as expenses of the period simultaneously with recognition of revenue, for generation of which they are incurred. Expenses that cannot be directly linked to revenue of the certain period are presented in expenses of the reporting period in which they are incurred.

Taxation

Income tax is accounted for and presented in the financial statements in accordance with UAS 17 "Income Tax".

Income tax expenses include current tax expenses and deferred tax expenses. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged directly to equity or other comprehensive income, in which case the deferred tax is also dealt with in equity or other comprehensive income. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The applicable income tax rate in 2019 was 18%. The income tax rate of the future reporting periods is also fixed 18%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

(In thousands of UAH, unless otherwise stated)

Construction in progress

Construction in progress comprises value of construction in progress (including uninstalled equipment), which is planned to be used by the Company, as well as prepayments made to buy items of construction in progress. Accounting for expenses concerning construction in progress is carried out separately for every item of construction in progress by expense type.

Impairment of non-current assets

The Company assesses, at each reporting date, in accordance with UAS 28 "Impairment of assets" whether there is an indication that an asset may be impaired.

Assets subject to depreciation are assessed for impairment whenever any events or changes in circumstances indicate that the carrying amount of an asset may exceed its recoverable amount. The asset is impaired when the carrying value of the asset exceeds its recoverable amount. An impairment loss is recognized in the amount by which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is higher of two evaluations of an asset (or cash-generating unit): fair value less costs to sell and its value-in-use. For the purpose of impairment assessment, the assets are grouped into the smallest groups for which it is possible to allocate separately identifiable cash flows (cash-generating units).

Cash and cash equivalents

Cash and cash equivalents include current bank accounts.

Liabilities

Liabilities are recognized and accounted for according to UAS 11 "Liabilities". Liability is recognized if its amount can be measured reliably and it is probable that the economic benefits associated with the transaction will flow from the Company when liability is settled. If at the reporting date previously recognized liability is no longer repayable its amount is recognized as income of the period. Current liabilities are recognized in the amount of their expected repayment.

Provisions

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Expenses related to provisions are recognized in profit and loss.

Contingent liabilities and contingent assets

Contingent liabilities are not recognised in the financial statements unless there is the possibility of an outflow of resources embodying economic benefits when liabilities is repaid and a reliable estimate of such liabilities can be made. The information on contingent liabilities is disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but they are disclosed when an inflow of economic benefits is possible. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

Events after reporting date

Events, which took place after the reporting date and prior to the date of approval of the financial statements to be issued which provide additional information regarding the financial statements of the Company, are reflected in the financial statements.

The events which took place from the end of the reporting period to the date of approval of the financial statements which certify about the conditions that arose after the reporting period and which do not influence the financial statements of the Company as of the reporting date, are disclosed in notes to the financial statements if these events are significant.

Operations with related parties

Information about operations with related parties is disclosed in accordance with UAS 23 "Disclosing of Information about Related Parties".

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

(In thousands of UAH, unless otherwise stated)

4. Construction-in-progress

In 2019, the Company purchased land with cost of UAH 87 million. The land was purchased for the plant construction of for the production of corrugated paper and cardboard, paper and cardboard containers.

5. Registered (share) capital

As of reporting dates registered (share) capital was fully paid and comprised:

	<u>Portion, %</u>	<u>31.12.2019</u>	<u>31.12.2018</u>
Dunapack Ukraine LLC	100%	87 270	-
	100%	87 270	-

6. Current provisions

During 2019, the Company established a provision for annual financial audit services in the amount of UAH 60 thousand.

7. Administrative expenses

Administrative expenses consisted of the following:

	<u>2019</u>	<u>2018</u>
Land tax	210	-
Financial audit	60	-
Salary and related charges	13	-
Bank services	3	-
IT services	2	-
Total	288	-

8. Transactions with related parties

Remuneration of the key management personnel

Key management personnel of the Company is represented by 2 person. During the year ended 31 December 2019 remuneration to the key management personnel of the Company amounted to UAH 11 thousand.

9. Contingencies and contractual commitments

Taxation

Management believes the Company complied with all applicable tax legislation.

Legal issues

The Company was incorporated in 2019. According to the Company's management the ultimate liability arising from unasserted claims and complaints, if any, will not have an adverse effect on the Company's financial position or the results of its future operations. As of 31 December 2019 and 2018, no any claims or complaints were addressed to the Company.

Environmental issues

Environmental legislation continues to develop in Ukraine. The Company regularly estimates its liabilities defined in environmental legislation. The potential liabilities which can arise due to changes in the current environmental legislation are impossible to estimate but their influence can be significant. Management believes that the Company complied with all current legislative requirements and, respectively, the Company does not have any unrecorded environmental liabilities.

10. Fair value of financial instruments

As of 31 December 2019 the Company's financial instruments comprised cash and cash equivalents of UAH 15 thousand. According to management, carrying amount of cash and cash equivalents approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

(In thousands of UAH, unless otherwise stated)

11. Finance instruments and risk management

Capital management

The Company manages its capital to ensure the Company's ability to continue as a going concern. The Company's management regularly reviews its capital structure.

Credit risk

As of 31 December 2019 financial assets of the Company were represented by cash and cash equivalents.

The Company's policy on credit risk management is aimed at carrying out operations with contractors with a positive reputation and credit history. The Company's cash and cash equivalents are placed in Ukrainian bank with solid reputation. The Company constantly monitors its accounts receivable with aim to identify and timely react to the liquidity worsening of the Company's counterparties.

Liquidity risk

Liquidity risk is the risk that the Company may face difficulties while repaying its financial liabilities. The Company's liquidity position is carefully monitored and managed. The Company uses detailed budgeting and cash flow forecasting to keep a proper level of highly liquid assets to meet its liabilities as they fall due. As of December, 31 2019 had no outstanding financial liabilities.

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates in relation to the national currency. Exposure to foreign currency risk relates to monetary assets and liabilities denominated in foreign currencies.

During 2019 the Company had no foreign currency transactions.

12. Events after reporting date

In January 2020 Dunapack-Ukraine LLC made a contribution to the unregistered capital of the Company in the amount of UAH 500 thousand.