

**PRIVATE JOINT-STOCK COMPANY
"INSURANCE COMPANY "BUSIN"**

**SPECIAL PURPOSE
FINANCIAL STATEMENTS**

For the year ended December 31, 2020
Together with the Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Management of Private Joint-Stock Company “Insurance Company “Busin”

Opinion

We have audited the special purpose financial statements (further - financial statements) of private joint-stock company “Insurance Company “Busin” (Company), which comprise:

- statement of financial position as at December 31, 2020;
- statement of comprehensive income for 2020;
- statement of changes in equity for 2020;
- statement of cash flows for 2020; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, its financial performance and cash flows for the year then ended in accordance with the accounting policy of the Company set out in Note 5 and prepared based on International Financial Reporting Standards (IFRS).

Basis for Qualified opinion

As at December 31, 2020 and 2019, we have not received any external confirmation of the balances with the Company's counterparties included in such items of the statement of financial position:

- Accounts receivable in the amount of UAH 111 634 thousand and UAH 84 065 thousand, respectively, and
- Accounts payable in the amount of UAH 24 482 thousand and UAH 13 515 thousand, respectively.

We were unable to determine, using alternative procedures, whether any adjustments might have been necessary to the carrying amounts of these items in the statement of financial position as of December 31, 2020 and 2019, as well as their possible effect on comprehensive income and cash flows.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and ethical requirements applied in Ukraine to our audit of financial statements 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.

Material uncertainty related to going concern

We draw attention to Notes 3 and 32 to these financial statements, which describe events and conditions that have arisen due to the military invasion of Ukraine by the Russian Federation that began on February 24, 2022 and is ongoing, the effects of which on the Company's operations are unpredictable.

As discussed in Note 3, these events or conditions together with other matters described in Note 32 indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter

We draw attention to Note 3 to the financial statements, which describes the basis of accounting. These financial statements have been prepared to provide information to the Company's founders and to a certain circle of its counterparties and business partners. Therefore, these financial statements may not be appropriate for other purposes. Our opinion is not modified in respect of this matter.

Other matters

The Company has prepared general-purpose financial statements for the year ended December 31, 2020 in accordance with International Financial Reporting Standards, which were audited by another auditor who expressed an modified opinion on those financial statements.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

The audit was performed under the supervision of the Head of Audit department Malashchuk Oleh Volodymyrovych.

Head of Audit department

O. V. Malashchuk

Registration number in the Register of Auditors
and Audit Entities: 101134

On behalf of BDO LLC

Director, Key Audit Partner

S. O. Balchenko

Registration number in the Register of Auditors
and Audit Entities: 101086

Kyiv, September 26, 2023

Limited Liability Company BDO. Identification code under EDRPOU: 20197074.

Registration Number in the Register of Auditors and Audit Entities: 2868. Legal address: 4, Andriia Fabra Street, Dnipro, tel. 044 393-26-87.

Statement of management's responsibility for the preparation and approval of the special purpose financial statements

The following statement, which should be read in conjunction with the independent auditor's responsibilities disclosed in the Independent Auditor's Report, is made with a view to distinguishing the respective responsibilities of Management and those of the independent auditors in relation to the financial statements of the Private Joint-Stock Company "Insurance Company "Busin" (hereinafter — the Company).

The Company's management is responsible for the preparation of the special purpose financial statements (further - financial statements), that present fairly, in all material respects, the financial position of the Company as of December 31, 2020, comprehensive profit and loss, and cash flows and changes in equity for the year then ended, in accordance with basic accounting policies set out in Note 5 and prepared based on the International Financial Reporting Standards (further — IFRS).

In preparing the financial statements, Management is responsible for:

- Selecting appropriate accounting principles and applying them consistently;
- Making reasonable assumptions and estimates;
- Compliance with relevant IFRS and disclosure of all material departures in the Notes to the financial statements;
- Preparing the financial statements on a going concern basis, unless it is Company will continue to operate for the foreseeable future, unless it is inappropriate to presume that.

Management is also responsible for:

- Designing, implementing and maintaining an effective system of internal controls throughout the Company;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with the requirements of the accounting policies and of IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Company;
- Preventing and detecting fraud and other irregularities.

The Company's financial statements for the year ended December 31, 2020 were approved by the Company's management on September 26, 2023.

Chairman of the Board

_____ O.Y. Nepochatov

Chief Accountant

_____ S.A. Yefymenko

PRIVATE JOINT-STOCK COMPANY "INSURANCE COMPANY "BUSIN"
Special Purpose Financial Statements for the Year Ended December 31, 2020
(in thousands of UAH)

Statement of financial position as of December 31, 2020

	Notes	31 December 2020	31 December 2019
Assets			
Cash and cash equivalents	6	135 503	89 645
Accounts receivable	7	134 751	129 460
Other receivables	8	149	353
Investments	9	15 729	4 784
Reinsurers' share in unearned premiums reserve	13	50 121	51 974
Reinsurers' share in provision other than unearned premiums reserve	13	-	2 462
Deferred acquisition costs on reinsurance		169	278
Deferred tax assets	10	10 856	9 203
Property, plant and equipment	11	12 531	12 611
Intangible assets		12	24
Other current assets	12	2 069	2 091
		361 890	302 885
Liabilities and equity			
Liabilities			
Unearned premiums reserve	13	126 656	125 219
Provision other than unearned premiums reserves	13	13 396	14 818
Income tax payable		10 355	4 936
Accounts payable	14	79 171	58 416
Other short-term liabilities	15	6 023	6 964
		235 601	210 353
Equity			
Share capital	16	73 200	73 200
Capital reserves	16	20 998	20 998
Retained earnings	16	32 091	(1 666)
		126 289	92 532
		361 890	302 885

Chairman of the Board

O.Y. Nepochatov

Chief Accountant

S. A. Yefymenko

PRIVATE JOINT-STOCK COMPANY "INSURANCE COMPANY "BUSIN"
Special Purpose Financial Statements for the Year Ended December 31, 2020
(in thousands of UAH)

Statement of comprehensive income for 2020

	Notes	2020	2019
Gross amount of written premiums	17	160 489	209 576
Reinsurance-ceded premiums	18	(99 612)	(98 772)
Earned premiums		60 877	110 804
Changes in unearned premium reserve	13, 30	(1 438)	(7 557)
Changes in reinsure's share in unearned premiums reserves	13, 30	(1 853)	(4 208)
		(3 291)	(11 765)
Net earned premiums		57 586	99 039
Insurance payments and insurance indemnity	19	(2 781)	(4 873)
Change of reserves other than unearned premiums reserve	13	1 421	(13 857)
Changes in reinsurers' share in reserves other than unearned premiums reserves	13	(2 462)	2 462
Result from insurance activities before deduction of administrative and other expenses		53 764	82 771
Administrative expenses	20	(15 527)	(16 107)
Distribution costs	21	(2 788)	(4 216)
Change in provision for doubtful debts on accounts receivable		(9 847)	(1 038)
Other income	22	32 415	81
Other expenses	23	(1 005)	(45 749)
Financial income	24	427	923
Profit before tax		57 439	16 665
Income tax expense	25	(13 678)	(6 822)
Profit for year		43 761	9 843
Other comprehensive income		-	-
Comprehensive income for year		43 761	9 843

Chairman of the Board

O.Y. Nepochatov

Chief Accountant

S. A. Yefymenko

PRIVATE JOINT-STOCK COMPANY "INSURANCE COMPANY "BUSIN"
Special Purpose Financial Statements for the Year Ended December 31, 2020
(in thousands of UAH)

Statement of changes in equity for 2020

	Share capital	Capital reserves	Retained profit	Total
Balance as of January 01, 2019	73 200	13 400	5 117	91 717
Profit for year	-	-	9 843	9 843
Total comprehensive income for year	-	-	9 843	9 843
Increase in capital reserves	-	7 598	(7 598)	-
Dividend announcements to shareholders	-	-	(9 028)	(9 028)
Balance as at December 31, 2019	73 200	20 998	(1 666)	92 532
Profit for year	-	-	43 761	43 761
Total comprehensive income for year	-	-	43 761	43 761
Increase in share capital	-	-	-	-
Dividend announcements to shareholders	-	-	(10 004)	(10 004)
Balance as at December 31, 2020	73 200	20 998	32 091	126 289

Chairman of the Board

O.Y. Nepochatov

Chief Accountant

S. A. Yefymenko

Statement of cash flows for 2020

	Notes	2020	2019
Cash flow from operating activities			
Net profit before tax		57 439	16 655
Adjustments to:			
Depreciation of PPE and intangible assets	11	1 450	828
Changes in insurance reserves	13	15	21 415
Change in reinsurers' share of in insurance reserves	13	4 315	1 747
Recognition of deferred acquisition costs		109	(54)
Change of provision for doubtful debts	7	9 847	1 038
Result of transactions with investments	22, 23	-	(1)
Result from sale of property, plant and equipment		-	(80)
Change of leave provision		(947)	629
Financial income	24	(427)	(923)
Cash flows before changes in operating assets and liabilities		71 801	41 264
Changes in:			
Accounts receivable		(15 138)	4 836
Other accounts receivable		200	(152)
Other current assets		33	(985)
Accounts payable		20 755	(5 725)
Other liabilities		6	314
Cash flows from operating activities		77 657	39 552
Interest earned on deposits		431	953
Income tax paid		(9 912)	(13 857)
Net cash flow from operating activities		68 176	26 648
Cash flow from investing activities			
Acquisition of property, plant and equipment	11	(1 358)	(12 146)
Placement of deposits		(15 693)	(4 737)
Proceeds from return of deposits		4 737	-
Proceeds from the sale of property, plant and equipment		-	608
Net cash flow used in investing activities		(12 314)	(16 275)
Cash flow from financing activities			
Dividends paid	16	(10 004)	(9 028)
Net cash flow used in financial activities		(10 004)	(9 028)
Net cash flow for the reporting period		45 858	1 345
Cash and cash equivalents at the beginning of the year	6	89 645	88 300
Cash and cash equivalents at the end of the year	6	135 503	89 645

Chairman of the Board

O.Y. Nepochatov

Chief Accountant

S. A. Yefymenko