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Ідентифікаційний код юридичної особи/
Entity Identification No.: 23500277

Банківські реквізити/ Bank account:
IBAN UA 75 380805 0000000026007435483

Назва банку/Bank Name:
АТ «Райффайзен Банк Аваль» /
Public JSC "Raiffeisen Bank Aval"

**INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL STATEMENTS OF THE PJSC "BIO MED SKLO" AS OF DECEMBER
31, 2020**

**TO:
THE USERS OF FINANCIAL STATEMENTS OF
PRIVATE JOINT STOCK COMPANY "BIO MED SKLO"
NATIOANL SECURITIES AND STOCK MARKET COMMISSION**

Report of the Audit of Financial Statements

Qualified Opinion

We conducted the audit of financial statements of the PRIVATE JOINT STOCK COMPANY "BIO MED SKLO" (EDRPOU Code 04763746) (hereinafter – the Company), including Balance Sheet (Statement of Financial Standing) as of December 31, 2020; Statement of the Profit and Loss (Income Statement); Cash Flows Statement (according to direct method); Equity Statement ended as of the date above, and Notes to Financial Statements, which include summary of the main accounting policies.

In our opinion, except for potential impact of the issues described in the section "Basis for Opinion" of our Report, financial statements of the PRIVATE JOINT STOCK COMPANY "BIO MED SKLO", authentically reflects in all material aspects the financial standing of the Company as of December 31, 2020, its financial results and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for The Qualified Opinion

In the Auditor's opinion, the Basis for the Qualified Opinion was caused by the impact of corrections which could be necessary on the following matters:

The Auditor mentions that in the Notes to the Financial Statements of the PRIVATE JOINT STOCK COMPANY "BIO MED SKLO" as of December 31, 2021 the information in separate sections (information regarding accounts payable, accounts receivable and cash flows, information about intangible assets, financial risks management, credit risks, information about deferred tax debts) was not fully reflected, which does not entirely comply with IFRS requirements.

However, the current notes do not have the overall nature for the financial statements of the Company.

In the Auditor's opinion, the reason for Basis for the Qualified Opinion was the impact of corrections which could be necessary if the Company conducted revaluation of fixed assets utilized in economic activity of the Company, and if the Company conducted review of current fixed assets for the matter of decreased utility. It is important to note that during previous periods revaluation of fixed assets was conducted as a result of which the revaluation surplus is equivalent to kUAH 101,132.00 as of December 31, 2020. In 2020 such revaluation did not take place.

Revaluation should take place regularly, so that the balance value does not materially differ from that mentioned due to fair value as of the end of reporting period.



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Residual value of fixed assets accounted on the Balance sheet of the Company is equal to kUAH 644,807.00 as of December 31, 2020. In the Auditor's opinion, the impact may be material, but not overall for financial statements of the Company.

As of December 31, 2020, as a part of fixed assets of the Company land plots are being accounted with historical value of kUAH 15,773.00. The land plots include constructions and objects, which according to explanation of the Management of the Company appeared due to provision of amenities, which is not correct. Based on the Balance sheet, amortization of such constructions (in the balance sheet amortization of land plots is mentioned as of December 31, 2020 and is amounted in kUAH 1,813.00, amortization for 2020 is equal to kUAH 70.00.

Land has unlimited term of qualitative utilization, and as a result is not being depreciated. In the Auditor's opinion it makes sense to conduct reclassification of such objects.

It is important to mention that accounts receivable of the Company was amounted in kUAH 197,643.00 and equal to 61.99% of the Company assets as of December 31, 2020.

As of December 31, 2020, the total amount of provisions for potential credit impairments was UAH 0.00.

The Company assesses that probability of default on receivables within the next 12 months is insignificant. The Management of the Company conducts the assessment of the level of credit risk under individual approach.

IFRS 9 requires creating of provisions for potential credit impairments, i.e., impairment due to loss in value, even under minimal probability. Provisions for credit impairments are created from the moment of initial recognition of assets.

In the Auditor's opinion, the impact of change in revaluation under the other method to assessment of credit risk for expected credit impairment provisioning may be material, but not overall for financial statements.

As of December 31, 2020 deferred costs in the amount of kUAH 5,314.00 are being accounted on the Balance sheet, which does not comply with IFRS requirements.

As of December 31, 2020 deferred tax debts of the Company on the Balance sheet are amounted in kUAH 44,848.00, but according to settlements provided for review of the auditor the amount of deferred tax debts as of December 31, 2020 was equal to UAH 14,545,676.87, i.e., the difference is kUAH 30,302.00, which is material for financial statements of the Company.

As of December 31, 2020 the amount of deferred tax debts of the Company on the Balance is amounted in kUAH 14,546.00, however, the auditors have doubts regarding correct calculation of this value. It is important to note that according to IAS 12, deferred tax debts are the amount of income taxes recoverable in future periods in respect of deductible temporary differences.

P.64 of the ISA 16 does not identify if the entity must transfer annually the amount equivalent to the difference between amortization of revaluated asset and amortization defined due to cost of sale from revaluation to retained profit. In case the entity makes such transfer, the transferred amount does not include any deferred tax.



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In the auditors' opinion, the impact of change in revaluation due to reference of changes as temporary in regard to revaluation of non-current assets, accounts receivable, accounts payable, long-term bank loans, pension provisions and deferred tax debts may be material for financial statements of the Company.

Additional capital of the entity as of December 31, 2020 is accounted in the amount of (UAH 3,792,000.00) which is incorrect. Additional capital cannot have a negative value.

In 2020 correction of this error was conducted through other changes in additional capital, i.e., additional capital was increased into kUAH 3,799.00, not in kUAH 3,792.00.

It is important to note that such correction is not correct. In accordance with ISA 8 "Accounting Policies, Changes in Accounting Estimations and Errors" errors can be: in mathematic calculations, in application of accounting policy, through an oversight, incorrect interpretations of facts of economic activity, and as a result of fraud, or **prior periods** errors (made during preparations of financial statements for prior periods, and identified during current periods). Besides, errors made during previous calendar years regarding the moment of their identification are considered prior periods errors.

It was necessary to reflect the correcting of an error of kUAH 3,792.00 in the Equity Statement in the "Correction of Errors" line and reflect correct data as adjusted outstanding as of the beginning of the period with appropriate corrections of incoming outstanding in the Balance (Statement of Financial Standing) of the Company as of December 31, 2020. Such reflection was not conducted, which is not correct, as a result the outstanding as of the beginning of the year in the Balance of the Company in the Section "Equity" was not correct.

As of December 31, 2020, current provisions for staff expenses are not available, which does not comply with current legislation and requirements of the ISA 37 "Provisions, Contingent Liabilities, and Contingent Assets", published by International Auditing and Assurance Standards Board (IAASB) in use from July 1, 1999 (with changes and amendments).

As of December 31, 2020 pension provisions of the entity are equivalent to UAH 7,219.00 and has not been reviewed during 2020

In accordance with Ukrainian legislation, the entity withholds payments from wages of its employees to the Pension Fund. Current payments are calculated as interest contributions from current wages accounting, such expenses are reflected in the periods during which employees provided their service, which enable the later to payment receipts and salary is earned respectively.

For pension plan settlements a qualified actuary is involved once per year. In 2020 the Actuary report was not received, which does not comply with IAS 26 requirements "Accounting and Reporting by Retirement Benefit Plans".

It is important to note that Management Report of the Private Joint Stock Company "BIO MED SKLO" for 2020 which must be prepared in accordance with the Law of Ukraine #996-XIV as of July 16, 1999, "On Accounting and Financial Reporting in Ukraine" (with changes and amendments) and the Order of the Ministry of Finance of Ukraine as of December 7, 2018 #982 "On approval of Methodological Recommendations on Management Report Preparation" was not provided to the auditors for review.



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The Auditor conducted the audit in accordance with the Law of Ukraine "On the Audit of Financial Statements and Audit Activity" and in accordance with "International Quality Control, Auditing, Review, other Assurances and Related Services Pronouncements", published in 2016-2017 (ISA) approved as the National Auditing Standards by the decision of the Audit Chamber of Ukraine #361 as of June 8, 2018 for application during engagements after July 1, 2018 and in accordance with the decisions of the National Securities and Stock Market Commission.

The responsibility of the Auditor in accordance to these standards is stated in the section "Auditor's Responsibility for the Audit of the Financial Statements" of the current report.

We are independent from the PRIVATE JOINT STOCK COMPANY "BIO MED SKLO" in accordance with the Code of Ethics of Professional Accountants of the International Ethics Standards Board for Accountants and ethical requirements applied on the territory of Ukraine in relation to our financial statements report, as well as complied with other ethics requirements in accordance with the IESBA Code of Ethics for Professional Accountants.

We consider the received audit evidence sufficient and applicable to be used as the basis for our Opinion.

Key Audit Matters

Key audit matters – are issues, which, in our professional judgement, were the most significant during our audit of financial statements for the current period. These matters were considered in the context of our financial statements audit in overall and were taken in consideration during formulation of our opinion. However, we do not make separate opinion regarding these issues. We identified that key audit matters, which are expected to be informed about, are not available.

Information Other than the Financial Statements and the Auditor's Report Thereon

The Management of the Company is responsibility for the Other information. Other information is the information contained in the Reporting to the National Securities and Stock Market Commission for the period of 2020, in The Comments of the Management of the Company, The Company Provisions.

Other information is financial and/or non-financial information (except for financial statements and the Auditor's Report on it), which is included into the Report of the Company as of December 31, 2020 prepared under Article 40 of the Law of Ukraine "On Securities And Stock Market" as of February 23, 2006 #3480-IV (with changes and amendments) and Provisions On Disclosing Of Information By Issuers Of Securities approved by the Decision of National Securities and Stock market Commission #2826 as of December 3, 2013 with changes as of December 4, 2018 #854.

Our opinion is not extended to other information and we do not make opinion regarding this information.

Due to the audit of financial statements our responsibility is to get acquainted with other information and consider if there is a material inconsistency between other information and financial statements or our knowledge received during audit, or if this information is seen as such that contains material misstatement.

In case based on our work we come to a conclusion that there is material misstatement of information we are obliged to inform about this fact. We did not identify facts that need to be included into the report.



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We note the adequacy of the systems of accounting, internal audit procedures, internal control and risk management systems in the Company.

Information about conformity of the Management Report prepared with financial statements for the reporting period on availability of material misstatements in the Management Report and their features

Our opinion about financial statements is not extended to the Management Report. Due to our audit of financial statements, our responsibility was to get acquainted with the Management Report and consider if there is a material inconformity between the Management Report and financial statements of the PRIVATE JOINT STOCK COMPANY "BIO MED SKLO", and if the Management Report is seen as such that contains material misstatements. In case based on our work we come to a conclusion that there is material inconsistency between the Management Report and financial statements and/or this Management Report is seen as such that contains material incorrect statement, we are obliged to inform about this fact. It is important to note that Management Report of the PRIVATE JOINT STOCK COMPANY "BIO MED SKLO" for 2020 which must be prepared in accordance with the Law of Ukraine #996-XIV as of July 16, 1999, "On Accounting and Financial Reporting in Ukraine" (with changes and amendments) and the Order of the Ministry of Finance of Ukraine as of December 7, 2018 #982 "On approval of Methodological Recommendations on Management Report preparation" was not provided to the auditors for review.

That is why information about consistency between the Management Report and Financial Statements of the Company for the reporting period and information about the availability of material misstatements in the Management Report in accordance with p.5 of the part 3 of the Article 14 of the Law of Ukraine "On the audit of financial statements and audit activity" #2258-VIII as of December 21, 2017, is not available.

Material Uncertainty Related to Going Concern

Without changing our Opinion regarding financial statements, we draw your attention to the fact that the Company has been conducting its activity under financial and economic crisis conditions. As a result of unstable situation in Ukraine, the activity of the Company is accompanied with risks.

Unconducive external environment in the country under the conditions of a difficult political situation as well as global crisis due to outbreak of COVID-19 caused by SARS-COV-2 led to introduction of quarantine and various kinds of limitations of movement on the territories of many countries including the most powerful economies of the world. This in turn caused decrease of activity in certain sectors of economy (especially in the sector of provision of services), decreased demand for certain goods and services and increased risks of economic growth slowdown and recession of the key economies of the world with all negative consequences.

For many economic entities COVID-19 pandemic and introduction of quarantine and other restrictive measures may cause direct or indirect financial impact on its activity. Direct impact may be demonstrated through devaluation of non-current assets, significant change in their fair value, changes in expected risk impairment related to financial assets, devaluation of accounts payable, etc. Indirect impact may be demonstrated through influence on customers and providers which may lead to increase of expenses or decrease of revenue, the necessity of recalculation of provisions.



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The impact of economic crisis and political instability taking place in Ukraine, as well as their final regulation, is impossible to foresee with sufficient probability and can negatively impact the economy of Ukraine and operational activity of the Company.

The global COVID-19 pandemic and introducing of quarantine and other restrictive measures by the Cabinet of Ministers of Ukraine directed to counteracting its further spread in Ukraine, caused additional risks to households' activities.

The Management of the Company did not identify material uncertainty, which could put under considerable doubt the ability of the Company to act continually, that is why the Management of the Company used the assumption of the going concern for the Company as the basis for accounting during preparation of financial statements, and did not take into consideration the growing uncertainty connected with the change of economic situation and pessimistic development forecasts for global and national economies.

It is impossible to forecast the scope of impact of risks on the Company in the future with reasonable probability. That is why financial statements does not contain corrections, which could become the result of such risks. They will be reflected in the financial statements as soon as they are identified and can be evaluated.

Responsibility of the Management of the Company and Those Disposing the Highest Authority for the Financial Statements

The Management of the Company carries responsibility for compliance and authentic presentation of the financial statements in accordance with the IFRS and compliance system which the Management of the Company defines as necessary for provision of financial statements which does not contain material misstatements caused by fraud or error.

During preparation of financial statements, the Management of the Company carries responsibility for assessment of the ability of the Company to continue business activity on the basis of going concern and disclosing if necessary, information associated with going concern as the basis of accounting, except cases when the Management of the Company plans to either liquidate the company or terminate its activity if no other alternatives are available.

The Management of the Company and those disposing the highest authority are responsible for supervision over the process of Company's financial statements

Auditor's Responsibility for the Audit of Financial Statements

Our goal is to obtain reasonable confidence that the financial statements in overall are free from material misstatements whether caused by fraud or error, and to issue the Auditor's Conclusion which contains Auditor's Opinion. Reasonable confidence is a high level of assurance, however, it does not guarantee that the audit conducted in accordance with the ISA will always identify material misstatement if any.

Material misstatements may be the result of fraud or error; they are considered material if separately or together, as reasonably expected, they may influence economic decisions, which are made based on this financial statements.

In accordance with the ISA, we utilize professional judgement and maintain professional skepticism throughout the audit procedure. Besides this, we:

- identify and assess risks of material misstatement of financial statements caused by fraud or error, develop and implement auditing procedures in response to these risks, and receive auditing evidence which is sufficient and acceptable for its application as the basis of our opinion. The risk of



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not detecting of material misstatement resulting from fraud is higher, than the risk of not detecting the one resulting from error, as fraud may include collusion, forgery, deliberate failure to record transactions or intentional misrepresentation while performing internal control reviews.

- receive understanding of the compliance system related to audit with the purpose to develop auditing procedures aligned with circumstances, not the observation of opinion regarding effectiveness of the system of internal control.

- assess acceptability of utilized accounting policies and argumentation of accounting assessments and appropriate disclosures of information made by the Management of the Company;

- make conclusions regarding acceptability of utilization of going concern by the Management of the Company as the basis for accounting, and based on auditing evidence make conclusion if there is a material uncertainty regarding events and conditions which may raise doubt about the ability of the company to continue activity on the going concern. In case we make conclusion about the availability of such material uncertainty, we shall draw attention to appropriate disclosures of financial statements in our Auditing Report, or to modify our opinion, if such disclosures are improper. Our conclusions are based on auditing evidence received prior the date of our Auditing Report. In fact, future events or conditions may force the company to terminate its activity on the going concern;

- assess overall presentation, structure and content of financial statements including disclosures of information and if financial statements disclose transactions and events put in as core figures for its preparation so that their verifiable presentation is ensured.

We inform those authorized by highest power about planned scope and terms of audit engagement and material auditing results, including any sufficient limitations of the system of internal control identified during the audit.

We also provide those authorized by highest power, with statements about compliance with related ethical requirements as for our independence, and inform them about all relations and other issues, which could justifiably be considered as those influencing our independence, as well as appropriate, preventative actions.

II. Compliance of the Report with Legislative and Regulatory Acts Requirements

Basic information about PRIVATE JOINT STOCK COMPANY "BIO MED SKLO" is provided in the Table 1.

Table 1

#	Full	Value
1	Full title of the	PRIVATE JOINT STOCK COMPANY "BIO MED SKLO"
2	Organizational and Legal form	Private joint stock company
3	Identification Code of the legal entity (EDRPOU)	04763746
4	Record number in the State Register of Legal Entities and Individual Entrepreneurs and the state registration date	Date of state registration 14.12.1994; The Date and the Record number in the State Register of Legal Entities and Individual Entrepreneurs 08.08.2005 #1 305 120 0000 001956
5	Location of the legal entity	Ukraine, 10025, Zhytomyr region, City of Zhytomyr, 26, Promyslova str.



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6	Classification of Economic Activity (NACE-2010)	23.19 Production and processing of other glassware including technical glassware (major); 46.46 Wholesale trade of pharmaceutical goods; 46.90 Unspecialized wholesale trade ; 47.11 Retail trade of food, beverages and tobacco in unspecialized stores ; 47.73 Retail trade of pharmaceutical goods in unspecialized stores; 49.41 Freight automobile transport
7	Director	Ludvig Anatoliyovych Zharkov

The Ability of the Going Concern of the Fund within the Next 12 Months

The assumption about going concern is viewed by the Auditor in accordance with the IAS 570 "Going Concern" (revised) as such that the Company will continue its activity in the nearest future without having neither intension, not a need to liquidate or terminate its activity. financial statements of the Compny are prepared based on the assumption of the going concern. The Management of the Company plans to undertake actions to improve further development indicators of the Company.

Collected evidence and the assessment of the Company's activity does not provide grounds for a reasonable doubt about the ability of the Company for the going concern.

Utilizing regular procedures and according to the assessment of the financial standing of the Fund, we did not find evidence about violation of the management principles.

Without making additional precautions to this conclusion, we draw your attention that Ukraine disposes uncertainty regarding further direction of internal economic policy development, regulatory policy and development of political situation. We are not able to forecast changes and their impact on financial situation, activity results and economic perspectives of the Company which is discussed in the section "Material Uncertainty regarding Going Concern".

Conformity of the Company's Accounting Policy Approved by the Management of the Company with the Accounting Legislation, Financial Statements and IFRS

Conceptual basis of the Company's financial statements for the year ending December 31, 2020 is the International Financial Reporting Standards (IFRS) including International Quality Control, Auditing, Review, Other Assurances and Related Services Pronouncements published by the International Auditing and Assurance Standards Board (IAASB).

Principles of structure, methods and procedures of accounting policy of the Company is regulated by the Order "On organization of accounting and accounting policy of the Company".

Accounting policy of the Company during the period reviewed defines main principles of accounting and financial statements preparation in accordance with the main principles and methods of assessment and tracking of economic transactions as prescribed by the Law of Ukraine "On accounting and financial statements in Ukraine" #996-XIV as of July 16, 1999 with amendments and additions, and International Financial Reporting Standards (IFRS).

Accounting policy of the Company exposes the key principles, standards, rules and procedures of accounting, which the Company uses for bookkeeping and financial statements preparation in accordance with IFRS. Accounting policy defines principles of recognition and



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assessment of accounting entities, acknowledgement and detailed breakdown of separate items of financial statements of the Company.

Disclosure of Financial Statements

Asset-related disclosures

Intangible Assets

As a result of the audit engagement, the Auditor identified that as of December 31, 2020, intangible assets accounted on the Balance sheet of the Company have the historical cost value of kUAH 1,796.00. Depreciation of intangible assets as of December 31, 2020 is amounted in kUAH 600.00 which complies with data of accounting registries.

Amortization of intangible assets is accrued under direct method based on the term of utilization. Accrual of amortization starts after one month during which intangible asset had become usable.

Accruals of amortization has not changed within the reporting period.

In the Auditor's opinion, in accordance with the Order on Accounting Policy and requirements of the International Accounting Standards (IAS) 38 "Intangible Assets" published by the International Auditing and Assurance Standards Board (IAASB) (with changes and amendments) it is necessary to consider consistency of these intangible assets with criteria of asset definition.

Information about intangible assets was disclosed by the Company in The Notes to Financial Statements.

Fixed Assets, other Non-current, Tangible Assets, Deferred Tax Assets

According to financial statements of the Company as of December 31, 2020 fixed assets and other non-current assets are accounted on the Balance sheet with historical cost of UAH 1,115,981.00.

The amount of accrued depreciation of fixed assets and other non-current assets as of December 31, 2020 is equal to kUAH 471,174.00.

As of December 31, 2020, as a part of fixed assets of the Company land plots are being accounted with historical value of kUAH 15,773.00. The land plots include constructions and objects, which according to explanation of the Management of the Company appeared due to provision of amenities, which is not correct. Based on accounting, amortization of such constructions (in the accounting amortization of land plots is mentioned as of December 31, 2020 and is amounted in kUAH 1,813.00, amortization for 2020 is equal to kUAH70.00.

Land has unlimited term of qualitative utilization, and as a result is not being depreciated.

In the Auditor's opinion it makes sense to conduct reclassification of such objects.

According to provided documentation for auditor's consideration, accrual of amortization of low cost non-current assets of the group "Other non-current tangible assets" is conducted under direct method based on terms of utilization defined by the permanent inventory committee, which complies with the Order on the Accounting Policy and requirements of the International Accounting Standards 16 "Fixed Assets" published by the International Audit and Assurance Standards Board (IAASB) applied from January 1, 2005 (revised) (hereinafter as - IAS16).

Deferred tax assets as of December 31, 2020 are not available.

Information regarding fixed assets is disclosed by the company in The Notes to the Financial Statements.



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Financial Investments

As a result of conducted audit, based on the primary documentation, analytical and controlling register of records, it was identified that long-term and current financial investments are not accounted on the Balance sheet of the Company as of December 31, 2020.

Information regarding Financial Investments is disclosed by the Company in The Notes to the Financial Statements.

Inventories Accounting

According to financial statements of the company as of December 31, 2020 the total inventory is accounted in kUAH 113,422.00 including: production stock – kUAH 48,789.00, production in progress –k UAH 1,070.00, finished products – kUAH 63,563.00.

In the Auditor's opinion, in accordance with the Order on Accounting Policy and requirements of the International Accounting Standard 2 "Inventories" published by the International Audit and Assurance Standards Board (IAASB) (with changes and amendments), it is necessary to consider consistency of these intangible assets with criteria of asset definition.

Information regarding Inventories is disclosed by the Company in The Notes to the Financial Statements.

Receivables and Other Current Assets

Long-term receivables as of December 31, 2020 is not accounted on the Balance sheet of the Company.

Company's receivables as of December 31,2020 are as follows:

Table 2

Receivables	As of Dec. 31, 2020, kUAH
- from goods, works, services	118 443
- from settlements by pre-payments	27 509
- from settlements with budget	25 251
- from internal settlements	24 251
Other receivables	2 189

Reserves for doubtful debts as of December 31, 2020 are not available.

It is important to note that receivables of the Company as of December 31, 2020 in the amount of kUAH 197 643 is equivalent to 61.99% of the Company's assets.

As of December 31, 2020, the total amount of provisions for potential credit impairments was UAH 0.00.

The Company assesses that probability of default on accounts receivable within the next 12 months is insignificant. The Management of the Company conducts the assessment of the level of credit risk under individual approach.

IFRS 9 requires creating of provisions for potential credit impairments, i.e. impairment due to loss in value, even under minimal probability. Provisions for credit impairments are created from the moment of initial recognition of assets.



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In the Auditor's opinion, the impact of change in revaluation under the other method to assessment of credit risk for expected credit impairment provisioning may be material, but not overall for financial statements.

As of December 31, 2020 deferred costs in the amount of kUAH 5,313.00 are being accounted on the Balance sheet, which does not comply with IFRS requirements.

As of December 31, 2020, other current assets are not available on the Balance sheet of the Company. Information regarding receivables is disclosed by the Company in The Notes to the Financial Statements.

Monetary Funds

Cash Balance as of December 31, 2020 in the accounts of the Company is amounted in kUAH 2 432, which complies with bank statements and data reflected in the financial statements of the Company.

Disclosing of Information related to Liabilities

Subsequent Costs and Target Financing Provisions

As of December 31, 2020, current provisions for staff expenses are not available, which does not comply with current legislation and requirements of IFRS. As of December 31, 2020, pension liabilities accounted in the Balance sheet are amounted in kUAH 7 219.

Other subsequent costs and target financing in the Balance sheet of the Company as of December 31, 2020 are not accounted, which in overall complies with data of analytical and synthetic accounting registries.

Deferred Tax Debts

As of December 31, 2020 deferred tax debts of the Company on the Balance sheet are amounted in kUAH 14,546.00, but the auditors have doubts about correct calculation of this value. However, according to settlements provided for review of the auditor the amount of deferred tax debts as of December 31, 2020 was equal to UAH14,545,676.87, i.e., the difference is kUAH 30,302.00, which is material for financial statements of the Company.

Other reservations are provided in the section «Basis for Opinion».

Acknowledgment, accounting and assessment of liabilities

Auditors investigated that acknowledgment, accounting and assessment of the Company's liabilities in overall comply with requirements of the International Accounting Standards 37 Provisions, Contingent Liabilities, and Contingent Assets, published by the International Auditing and Assurance Standards Board (IAASB) and are utilized from July 1, 1999 (with amendments and additions).

As of December 31, 2020, pension liabilities of the Company are amounted in kUAH 7,219.00 and were not reviewed during 2020.

In accordance with Ukrainian legislation, the entity withholds payments from wages of its employees to the Pension fund. Current payments are calculated as interest contributions form current wages accounting, such expenses are reflected in the periods during which employees provided their service, which enable the later to payment receipts and salary is earned respectively.



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For pension plan settlements a qualified actuary is involved once per year. In 2020 the Actuary report was not received, which does not comply with IAS 26 requirements "Accounting and Reporting by Retirement Benefit Plans".

Other long-term liabilities in the Balance sheet of the Company as of December 31, 2020 are accounted in the amount of kUAH 717,720.00.

Long-term and short-term bank loans in the Balance sheet of the Company as of December 31, 2020 are not accounted.

Current debts on long-term liabilities as of December 31, 2020 is not accounted.

As of December 31, 2020 current payables in Balance sheet of the Company is as follows:

- for goods, works, services in the amount of kUAH 21,116.00;
- for budgetary settlements in the amount of kUAH 751.00;
- for insurance settlements in the amount of kUAH 314.00;
- for settlements on staff expenses in the amount of kUAH 2,248.00;
- by pre-payments in the amount of kUAH 522.00;
- for internal settlements in the amount of kUAH 49,272.00;
- other current payables in the amount of kUAH 30.00 which complies with data from analytical and synthetic accounting registries.

Deferred income as of December 31, 2020 is amounted in kUAH 1,914.00.

Disclosing of information related to Profit and Loss Statements **Income Accounting**

Reflection of revenues in the accounting of funds is performed based on the following primary documentation: Acts of Received Services (completed works), bank statements, expense sheets, and other primary documentation prescribed by the Article 9 of the Law of Ukraine #996.

Based on the results of the audit investigation, it was identified that the data reflected in the order day books and turnover Balance sheets provided to the auditors in relation to revenues of the Company for the period of 2020 complies with the primary documentation. According to the auditor's opinion, the accounting of the Company's revenues in all material aspects is kept in accordance with the standards of the International Financial Reporting Standards 15 "Revenue from Contracts with Customers".

According to accounting and financial statements data the income of the Company from sold products (goods, works and services) for 2020 is amounted in kUAH 645,289.00.

According to accounting and financial statements data, other operational income of the Company for 2020 is amounted in kUAH 39,406.00, other financial income is amounted in kUAH 130.00, other income is amounted in kUAH 5,399.00.

Costs Accounting

In the Auditor's opinion, the cost accounting of the Company in overall is conducted according to IFRS.

Cost accounting of the Company based on the following primary documentation: Acts of provided works (services), acceptance notes, other primary and transaction documents.



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As a result of the auditor's investigation, it was identified that data reflected in the order daybooks and turnover Balance sheets provided to the auditors, complies with primary documents and the Company's financial statements data for the period 2020.

Net cost of sold products (goods, works, services) 2020 is amounted in kUAH 452,690.00, administrative costs - kUAH 22,177.00, distribution cost - kUAH 23,064.00, other operational costs – kUAH 16,415.00, finance costs – kUAH 29,918.00, other costs – kUAH 195,572.00.

Income tax costs in 2020 are amounted in kUAH 13,972.00.

In 2020 the financial result of the Company is the loss in the amount of kUAH 63,584.00.

The Auditor considers that Income Statement for the period of 2020 to in all material aspects fully and accurately reflects the value and the structure of income and costs of the Company.

Information for the Cashflow Statement (direct method)

Information about cashflows of the Company provides an opportunity to financial statements users to assess the capacity of the Company to generate cashflows and their equivalent, and assess the needs of the household in utilization of cashflows.

Closing cash Balance sheet as of December 31, 2020 in the bank accounts is amounted in kUAH 2,432.00.

Information for the Equity Statement (changes in equity)

Based on the Balance sheet the equity of the Company as of December 31, 2020 is amounted in kUAH 207,464.00 and consists of charter capital in the amount of kUAH 230,194.00, Revaluation surplus in the amount of kUAH 101,132.00, additional capital in the amount of kUAH (3,792.00) тис. грн. and the amount of uncovered loss of kUAH 120,070.00.

In auditor's opinion, the amount and structure of shareholder's equity is reflected in the Company's financial statements as of December 31, 2020 accurately, except for additional capital.

Disclosing of information about the changes in the shareholder's equity of the Company for the period of 2020 was provided by the Company in the Statements of Owner's Equity in accordance with International Accounting Standards 1 "Presentation of Financial Statements", which is published by the International Auditing and Assurance Standards Board (IAASB) is are utilized from January 1 2009 (with changes and additions).

Statement on Other Legal and Regulatory Requirements

Shareholder's Equity

As of December 31, 2020, the registered and paid in charter capital of the Company is amounted in UAH 230,194,148.60 (two hundred thirty million one hundred ninety-four thousand one hundred forty-eight Ukrainian hryvnya, sixty kopecks), which is divided into 2,301,941,486 ordinary registered shares with nominal value of UAH 0,10.

Unpaid capital of the Company as of December 31, 2020 is not available.

In the Auditor's opinion, the form of charter capital of the Company in all material aspects complies with requirements of the current legislation. Company's charter capital as of December 31, 2019 was confirmed on May 22, 2020 THE AUDIT FIRM "NYVA-AUDIT" (in the form of LIMITED LIABILITY COMPANY), EDRPOU Code 21095329, Legal address: 33028, Rivne region, the city of Rivne, 5a, Lermontova str. Office 1, Certificate of entering the Registry of audit firms and Auditors as of January 26, 2001 p. # 0146.



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The Auditor confirms the amount of charter capital to charter documentation.

Value of Net Assets

Value of net assets of the Company as of December 31, 2020 is amounted in kUAH 207,464.00 which complies with conclusion of Section I of the Liabilities of the Balance sheet of the Company for the date.

The value of net assets of the Company as of December 31, 2020 is less then the amount of charter capital of the Company.

Information about events after the date of the Balance sheet, not reflected in the financial statements, but may have material impact on financial standing of the Company: Not Available.

After the Balance sheet date neither events that could influence the going concern of the Company, nor the events that would require corrections of the Balance sheet value of indicators took place.

Events after the Balance sheet date which could have material impact on financial standing of the Company based on the request to the Management of the Company were not indicated.

Information about related parties

In accordance with IAS 24 "Related Party Disclosures" and ISA 550 "Related Parties" the auditor made a request about the list of related parties and, if available, information about transactions with related parties, to the Management of the Company.

In accordance with IFRS, related parties are: companies under control of significant influence of other parties; companies or physical entities which directly or indirectly control the Company or have significant influence on its activity, and close members of the family of such physical entity.

Assessment of possible operations with related parties is conducted by the Company every financial year with the help of review of the Balance sheet of the according related party and market conditions where such party conducts its activity.

Operations with related parties which go beyond the norms of standard activity were not indicated.

During the review of financial statements of the Company no inconsistency was identified in the lists of related parties and operations with related parties.

Information about availability and size of contingent assets and/or liabilities, probability of recognition of which on the Balance sheet is significant, was not indicated during the review.

The probability of recognition on the Balance sheet of the Company of contingent assets or liabilities is low.

Information about the availability of other facts and circumstances which may have material impact on the activity of the PRIVATE JOINT STOCK COMPANY "BIO MED SKLO" in future is not available

Identification and Assessment of the Auditor the Risks of Material Misstatement of the Financial Statements Caused by Fraud



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During the procedure of assessing risks and activity associated with risks to receive an understanding about the entity and its environment as prescribed by the IAS 315 "Identifying and Assessing the Risks of Material Misstatement through Understanding of Entity and its Environment" the auditor conducted procedures to receive information used for identification of risks of material misstatement caused by fraud in accordance with the IAS 240 "The Auditor's Responsibility related to Fraud in an Audit of Financial Statements". The auditor submitted requests to the Management of the Company and other Company members, which, in the auditor's opinion, may dispose information, which may help identify risks of material misstatement caused by fraud or error. The auditor conducted analytical procedure, including those with detailed data, examinations, etc. The auditor received an understanding of external factors, the activity of the entity, structure of its ownership and corporate governance, structure and means of financing, auditing policy, goals and strategies and associated business risks, assessment and review of financial results.

The auditor did not receive evidence of circumstances which may prove an assumption that financial statements contain material misstatement caused by fraud.

Availability of material inconsistencies between the interim financial statements, which was subject to review and other information submitted to the National Securities and Stock Market Commission together with financial statements (ISA 720 "The Auditor's Responsibility Relating to Other Information" (revised) was not identified.

Risks of material misstatement of the interim financial statements caused by fraud (ISA 240 "The Auditor's Responsibility Relating to Fraud in the Audit of Financial Statements") were not identified by the Auditor.

Events after the date of the Balance sheet not reflected in the financial statements of the Company, but may have material impact on financial standing, are not available.

Information about availability of other facts and circumstances that may have material impact on the activity of the legal entity in the future and assessment of the level of its impact, particularly on the content and structure of financial investments, is not available.

Information about other financial statements in accordance with the laws of Ukraine and regulatory and legal acts of the National Securities and Stock Market Commission is not available.

Without changing our opinion regarding authenticity of all material aspects of the interim financial statements of the Company in 2020, we consider necessary to note the other special information about the Company disclosing of which is prescribed by the Article 41 of the Law of Ukraine "On Securities and Stock Market" as of February 23, 2006 #3480-IV: such information is not available.



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Main Information about the Audit Firm and conditions of the agreement for audit engagement
Main information about the Audit Firm provided in Table 3.

Table 3

#	Item	Value
1	Full name and identification Code of the legal entity	Limited Liability Company «Audit Firm «Imona-Audit», 23500277
2	Included into the Section of the Registry of Auditors and Auditing Entities Certificate of the Audit Chamber of Ukraine (ACU) that auditing entity went through the external review of the quality control system of auditing services established in accordance with the audit standards, professional ethics standards and legal and regulatory requirements which regulate auditing activity	Section: Auditing entities (Registration number in the Registry, Registration date: #0791 as of 24.10.18); Section: Auditing entities, entitled to conduct mandatory audit of financial statements (Registration number in the Registry, Registration date: #0791 as of 13.12.18); Section: Auditing entities, entitled to conduct mandatory audit of financial statements which are of public interest (Registration number in the Registry, Registration date: #0791 as of 13.12.18) Blank №0751, approved by the ACU Decision as of 25.01.2018, №354/3
3	Managing Partner – Auditor, CEO Registration number in the Registry of Auditors and Auditing Entities (Section «Auditors»)	Olga Volodymyrivna Velychko 100092
4	Partner - Auditor Registration number in the Registry of Auditors and Auditing Entities (Section «Auditors»)	Zhanna Grygorivna Golub 100083
5	Auditor Registration number in the Registry of Auditors and Auditing Entities (Section «Auditors»)	Yuriy Yuriyovych Maleta 101732
6	LegalAddress:	2/37, Pyrohova str. 01030, Kyiv
7	Location	26, Bazhana Ave. Office 95, Kyiv 0 2140,
8	Phone: / Fax	044 565-77-22, 565-99-99
9	E-mail:	mail@imona-audit.ua
10	Web-site	www.imona-audit.ua



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In accordance with the Agreement # 28-1/01 as of January 28, 2021 about conducting of financial audit (audit examination) Limited Liability Company "Imona-Audit" included in the Sections of the Registry of Auditors and Auditing entities, particularly:

Section: Auditing entities (Registration number in the Registry, Registration date: #0791 as of 24.10.18);

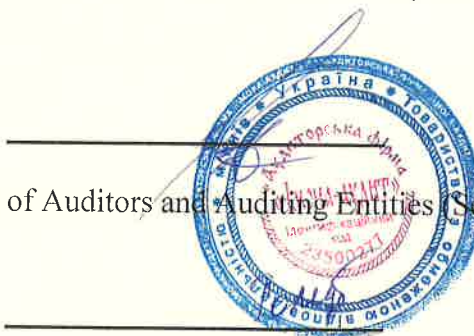
Section: Auditing entities, entitled to conduct mandatory audit of financial statements (Registration number in the Registry, Registration date: #0791 as of 13.12.18).

Section: Auditing entities, entitled to conduct mandatory audit of financial statements which are of public interest (Registration number in the Registry, Registration date: #0791 as of 13.12.18).

ACU Certificate on conformance with quality control system (Blank #0751, Decision of the ACU as of 25.01.2018 # 354/3), conducted an independent audit examination of primary and charter documentation, accounting and financial statements PRIVATE JOINT STOCK COMPANY "BIO MED SKLO" including: Balance Sheet (Statement of Financial Standing) as of December 31, 2020, Statement of Profit and Loss (Income Statement) for 2020; Statement of Cash Flows for the period of 2020; Equity Statement for the year ended as of the date above, and The Notes to Financial Statements Report, for the period of 2020 in terms of completeness, authenticity and compliance with current legislation and defined regulations.

Term of the audit examination: from February 1, 2021 to May 28, 2021

**Managing Partner – Auditor,
CEO**



Velychko O.V.

(Registration number in the Registry of Auditors and Auditing Entities (Section «Auditors» 100092)

Partner - Auditor

Golub Z.G.

(Registration number in the Registry of Auditors and Auditing Entities (Section «Auditors» 100083)

Auditor

Maleta Y.Y.

(Registration number in the Registry of Auditors and Auditing Entities (Section «Auditors» 101732)

Auditor's Report Preparation Date

May 28, 2021

Annex 1
to National Accounting Regulations (Standard)

I "General Requirements to Financial Statements"

	Date (year, month, day)	CODES		
		2021	01	01
Legal Entity PRIVATE JOINT STOCK COMPANY "BIO MED SKLO"	EDRPOU	04763746		
Place ZHYTOMYR REGION	KOATUU	1810136600		
Legal Form Private Joint Stock Company	KOPFG	230		
Type of Economic Activity Production processing of other glassware including technical glassware	KVED	23.19		
Average Number of staff 221				
Address, Telephone 26, Promyslova Str., Zhytomyr City, Zhytomyr Region, 10025 487502				

Units: '000 UAH, without decimals (excl. Section IV Financial Results (Gross Income) (Form N 2), where amounts are reflected in UAH with kopeks)

Prepared in accordance with (insert "v" mark in a proper box):

National Accounting Regulations (Standards)

International Financial Reporting Standards

V

Balance Sheet (Statement of Financial Standing)

as of **31 December 20 20**

Form N 1 DKUD

1801001

Items	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	3	4
I. NON-CURRENT ASSETS			
Intangible assets	1000	1 561	1 196
historical cost	1001	1 771	1 796
accumulated amortization	1002	210	600
Construction in progress	1005	17 379	88 605
Fixed assets	1010	668 396	644 807
historical cost	1011	1 069 605	1 115 981
depreciation	1012	401 209	471 174
Investment property	1015		
historical cost of investment property	1016		
depreciation of investment property	1017		
Long-term biological assets	1020		
historical cost of biological assets	1021		
accumulated depreciation of biological assets	1022		
Long-term financial investments:			
accounted for under the equity method of other enterprises	1030		
other financial investments	1035		
Long-term receivables	1040		
Deferred tax	1045		
Goodwill	1050		
Deferred acquisition costs	1060		
Balance on centralized insurance reserve fund account	1065		
Other non-current assets	1090		
Total, section I	1095	687 336	734 608
II. Current assets			
Inventories	1100	95 316	113 422
Production stock	1101	46 288	48 789
Work in progress	1102	964	1 070
Finished goods	1003	48 064	63 563
Merchandise	1104		
Current biological assets	1110		
Reinsurance deposits	1115		
Promissory notes receivable	1120		
Receivables for the products, goods, works, services	1125	92 354	118 443
Receivables from settlements:			
by pre-payments	1130	9 122	27 509
with budget	1135	11 297	25 251
incl. Income Tax	1136		
Receivables from earnings accrued	1140		
Receivables from internal settlements	1145	6 177	24 251
Other current receivables	1155	2 298	2 189
Current financial investments	1160		
Cash and equivalents	1165	14 512	2 432
Cash	1166		
Bank accounts	1167	14 512	2 432
Deferred costs	1170	8 264	5 314
Re-insurer share in insurance reserve	1180		
including			
long term liabilities reserves	1181		
reserves for loss /outstanding payments	1182		
reserves for unearned premium	1183		
other insurance reserves	1184		
Other current assets	1190		

Total, section II	1195	239 340	318 811
III. Non-current assets available for sale and disposal	1200		
Balance	1300	926 676	1 053 419
Liabilities	Line code		
I	2		
I. Equity			
Registered (share) capital	1400	230 194	230 194
Contributions to non-registered share capital	1401		
Revaluation surplus	1405	105 441	101 132
Additional capital	1410	-3 792	7
Share premium	1411		
Accumulated exchange differences	1412		
Reserved capital	1415		
Retained earnings (uncovered losses)	1420	(60795)	(93566)
Unpaid capital	1425		
Withdrawn capital	1430		
Other reserves	1435		
Total, section I	1495	271 048	237 767
II. Long-term liabilities and provisions			
Deferred tax debts	1500	29 697	14 546
Pension liabilities	1505	7 219	7 219
Long term bank loans	1510		
Other long term liabilities	1515	476 948	717 720
Long-term provisions	1520		
Long term provisions for staff expenses	1521		
Targeted financing	1525		
Charity	1526		
Insurance reserves including	1530		
reserve for long term liabilities	1531		
reserve for losses or outstanding payments	1532		
reserve on unearned premiums	1533		
other insurance reserves	1534		
Investment contracts	1535		
Prize fund	1540		
Reserve for jackpot	1545		
Total, section II	1595	513 864	739 485
III. Current liabilities and provisions			
Short-term bank loans	1600		
Promissory notes payable	1605		
Current payables on:			
long-term liabilities	1610		
goods, works, services	1615	16 366	21 116
budgetary settlements	1620	632	751
including Income Tax	1621		
insurance settlements	1625	382	314
payroll	1630	1 941	2 248
current payables by pre-payments	1635	2 229	522
current payables to shareholders (founders)	1640		
current payables on internal settlements	1645	119 141	49 272
current payables related to insurance activities	1650		
Current provisions	1660		
Deferred income	1665	1 043	1 914
Deferred earnings from commissions from reinsurers	1670		
Other current liabilities	1690	30	30
Total, section III	1695	141 764	76 167
IV. Liabilities on non-current assets available for sale and disposal	1700		
V. Net asset value of non-state pension fund	1800		
Balance	1900	926 676	1 053 419

Director _____ Ludvig Anatoliyovych ZHARKOV
Chief Accountant _____ Tetyana Vasylivna KORZUN

¹ To be determined in accordance with the regulations adopted by the central executive power body authorized to implement governmental policy in the field of statistics.

Entity

Private Joint Stock Company "BIO MED SKLO"
(name)Date (year, month, day) 2021 01 01
EDRPOU

CODES		
2021	01	01
04763746		

Statement of the Profit and Loss (Income Statement)

for year 20 20

Form N 2

DKUD

1801003

I. FINANCIAL RESULTS

Item	Line Code	For the reporting period	For the same period last year
1	2	3	4
Net profit from sales (goods, works, services)	2000	645 289	533 224
Net insurance premiums earned	2010		
Premiums underwritten, gross amount	2011		
Premiums transferred to reinsurers	2012		
Changes in reserve on unearned premiums, gross	2013		
Changes in reinsurers' portion in reserves on unearned premiums	2014		
Cost of sales (goods, works, services)	2050	(452 690)	(429 509)
Net losses incurred on insurance payments	2070		
Gross:			
profit	2090	192 599	103 715
loss	2095		
Revenue (costs) from changes in reserves on long-term liabilities	2105		
Revenue (costs) from changes in other insurance reserves	2110		
Changes in other insurance reserves, gross	2111		
Changes in reinsurers' portion in other insurance reserves	2112		
Other operating income:	2120	39 406	35 709
Income from changes in assets value due to fair revaluation	2121		
Income from initial recognition of biological assets and agricultural products	2122		
Income from use of funds exempt from taxation	2123		
Administrative expenses	2130	(22 177)	(23 908)
Sale and distribution expenses	2150	(23 064)	(13 869)
Other operating expenses	2180	(16 415)	(3 719)
Expenses due to changes in assets value due to fair revaluation	2181		
Expenses due to initial recognition of biological assets and agricultural products	2182		
Financial result from operations:			
profit	2190	170 349	97 928
loss	2195		
Income from Equity investments	2200		
Other financial income	2220	130	552
Other income	2240	5399	63645
Proceeds from charity	2241		
Finance costs	2250	(29918)	(30980)
Losses from investments accounted for under the equity method	2255		
Other costs	2270	(195572)	(2347)
Profit/loss from inflation impact on monetary items	2275		
Financial results before tax::			
profit	2290		128 798
loss	2295	(49 612)	
Income tax benefit/expense	2300	(16 331)	(12 157)
Income/(loss) from discontinued operations after tax	2305		

Net financial result:			
profit	2350		116 641
loss	2355	(33 281)	

II. COMPREHENSIVE INCOME

Items	Line Code	For the reporting period	For the same period last year
1	2	3	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 tax	2450		
Income tax related to other comprehensive income	2455		
Other comprehensive income after tax	2460		
Comprehensive income (a total of lines 2350, 2355 and 2460)	2465	(33 281)	116 641

III. ELEMENTS OF OPERATING COSTS

Item	Line Code	For the reporting period	For the same period last year
1	2		
Cost of materials	2500	296 775	263 654
Labour costs	2505	51 739	48 242
Social insurance charges	2510	13 530	10 840
Depreciation	2515	122 316	105 429
Other operating costs	2520	34 736	21 601
Total	2550	519 096	449 766

IV. EARNINGS PER SHARE

Item	Line Code	For the reporting period	For the same period last year
1	2	3	4
Annual average number of ordinary shares	2600	2301941486	2301941486
Adjusted annual average number of ordinary shares	2605		
Net income (loss) per ordinary share	2610	(0,01446)	(0,05067)
Adjusted net income (loss) per ordinary share	2615		
Dividends per ordinary share	2650		

Director

Ludvig Anatoliyovich ZHARKOV

Chief Accountant

Tetyana Vasylivna KORZUN

Entity

Private Joint Stock Company "BIO MED SKLO"

(name)

Date (year, month, day)

EDRPOU

CODES

2021 | 01 | 01

04763746

Cash Flow Statement according to direct method)

for year 20 20

Form N 3

DKUD

1801004

Item	Line Code	For the reporting period	For the same period last year
1	2	3	4
I. Cash Flow from Operating Activities			
Receipts from:			
Sales (goods, works, services)	3000	639 937	494 816
Refund of taxes and duties	3005	29 025	59 271
Including VAT	3006	29 025	59 271
Targeted financing	3010	886	474
Receipts from subsidies and grants	3011		
Receipts from advances from consumers	3015	30 832	17 609
Receipts from advance refund	3020	15237	9 474
Receipts from interest from current accounts balances	3025	130	551
Receipts from fines and penalties	3035		
Receipts from operating lease	3040		
Receipts from royalties	3045		
Receipts from insurance premium	3050		
Receipts from loan repayment by financial entities	3055		
Other receipts	3095		
Expenses:			
goods (works, services)	3100	(287871)	(449536)
Labor costs	3105	(46108)	(38794)
Social activity costs	3110	(12730)	(10925)
Taxes and duties liabilities	3115	(17765)	(18597)
Income tax costs	3116	(5311)	(7967)
VAT costs	3117		
Other taxes and duties	3118	(12454)	(10630)
Advance payments costs	3135	(165005)	(34034)
Advance refund costs	3140		
Target contribution costs	3145		
Insurance liabilities costs	3150		
Lending costs to financial entities	3155		
Other costs	3190	(727)	(178)
Net Cash from Operating Activities	3195	185 841	30 131
II. Cash Flow from investing activities			
Receipts from financial investments	3200		
Receipts from non-current assets	3205	2 717	5 954
Receipts from interest	3215		
Receipts from dividends	3220		
Receipts from derivatives	3225		
Receipts from repaid loans	3230		
Receipts from departure of affiliated entity or other entity	3235		
Other Receipts	3250		
Costs and Acquisitions of:			

financial investments	3255		
non-current assets	3260	(199 906)	(273 937)
Derivative disbursements	3270		
Lending costs to financial entities	3275		
Acquisition costs	3280		
Other costs	3290		
Net Cash Flow on investing activity	3295	-197 189	-267 983
III. Cash Flow from financing activity			
Receipts from:			
Equity	3300		
Acquired loans	3305	72 802	315 560
Receipts from sale of a share in affiliated entity	3310		
Other receipts	3340		
Buy-in costs	3345		
Loan repayment costs	3350	3 365	58 994
Payment of dividends	3355		
Interest costs	3360	(63 257)	(47 889)
Financing lease repayment costs	3365		
Costs for Affiliated entity share acquisition	3370		
Floating payments costs in affiliated entities	3375		
Other payments	3390		
Net Cash Flow from financing activity	3395	6 180	208 677
Net Cash Flow for the reporting period	3400	-5 168	-29 175
Cash Balance as of the beginning of the year	3405	14 512	46 247
Exchange fluctuations impact on Cash Balance	3410	(6 912)	(2 560)
Cash Balance as of the end of the year	3415	2 432	14 512

Director

Ludvig Anatoliyovych ZHARKOV

Chief Accountant

Tetyana Vasylivna KORZUN

Entity

Private Joint Stock Company "BIO MED" Date (year, month, day)

EDRPOU

Codes	
2021	01
04763746	

Equity Statement

for

Year 2020

Form N 4

DKUD

Item	Line Code	Registered (share) capital	Capital in Appraisal	Additional Capital	Reserved Capital	Retained earnings (uncovered losses)	Unpaid Capital	Withdrawn Capital	Total
1	2	3	4	5	6	7	8	9	10
Balance as of the end of the year	4000	230 194	105 441	(3 792)		(60 795)			271 048
Adjustment: change of accounting policy	4005								
Correction of errors	4010								
Other corrections	4090								
Adjusted balance as of the end of the year	4095	230 194	105 441	(3 792)		(60 795)			271 048
Net profit (loss) for the reporting period	4100					(33 281)			(33 281)
Other consolidated income for the reporting period	4110								
Appraisal of non-current assets	4111								
Appraisal of financial instruments	4112								
Accumulated exchange differences	4113								
Share from other consolidated income of affiliated and joint entities	4114								
Other consolidated income	4116								
Income distribution:									
payments to owners (dividends)	4200								
Allocation to the Registered capital	4205								
Allocation to the Reserved capital	4210								
Share of net profit allocated to the budget	4215								

1801005

Share of net profit allocated for special (target) funds	4220									
Share of net profit allocated for material reward	4225									
Contributions of participants:										
Contributions to the capital	4240									
Repayment of capital debt	4245									
Withdrawal of capital:										
Repurchase of shares	4260									
Stockbroking of shares	4265									
Extinguishment of repurchased shares	4270									
Capital share withholding	4275									
Decrease of nominal value of shares	4280									
Other changes in equity	4290			(4 309)		3 799		510		
Acquisition (sale) of uncontrolled shares	4291									
Total changes in equity	4295			(4 309)		3 799		(32 771)		(33 281)
Balance as of the end of the year	4300			101 132		7		(93 566)		237 767

Director

Ludvig Anatoliyovych ZHARKOV

Chief Accountant

Tetyana Vasylivna KORZUN

THE NOTICES TO THE FINANCIAL STATEMENTS
For the period ending December 31, 2020
(expressed in thousands of Ukrainian hryvnya (kUAH))

OF THE PRIVATE JOINT STOCK COMPANY
“BIO MED SKLO”

PJSC “BIO MED SKLO”

THE NOTICES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

(expressed in thousands of Ukrainian hryvnya (in kUAH))

1. GENERAL INFORMATION

Financial Statements of PJSC “BIO MED SKLO” (hereinafter- the Company) for the period ending December 31, 2020 was released on March 1, 2021.

The full title of the joint stock company: PRIVATE JOINT STOCK COMPANY “BIO MED SKLO”.

The Company is a private joint stock company registered and operated on the territory of Ukraine. Legal and current address of the Company: 26, PROMYSLOVA STR., Zhytomyr city, Zhytomyr Region, Ukraine 10025, EDRPOU Code 04763746.

The major type of economic activity of the Company is production and processing of other glassware including technical glassware, Classification of Economic Activity (NACE) 23.19

2. GOING CONCERN

Ukrainian economy despite being a market one, still continues to demonstrate certain features, specific for the transfer economies. These features include but not limited to: low level of liquidity on the capital markets, high inflation rates, exchange restrictions, which makes national currency nonliquid outside the territory of Ukraine. Stability of Ukrainian economy will for the most part depend on government policy regarding administrative, legal and economic reforms. As a result, transactions in Ukraine are associated with risks, which is not typical for developed markets.

Political and social pressure emerged in Ukraine led to decrease of GDP, capital market instability, significant reduction of liquidity in the banking sector and lending comedown. As the Government of Ukraine undertake actions determined to stabilize banking sector and liquidity of Ukrainian banks and companies, there is an uncertainty in regard to potential access of the Company and its partners to the capital resources and capital cost, which may influence their financial position, results of its activity and economic perspectives.

While the Management of the Company takes action to support resistance and business growth of the Company under current conditions, the unforeseeable further deterioration in the aforementioned sectors of economy can negatively impact the results of the Company’s activity and its financial situation within the uncountable scope.

Assumption of the going concern

Financial Statements of the Company is prepared based on the assumption that the Company is the going concern, according to which disposal of assets and settlement of liabilities take place under regulator activity. Financial Statements does not include corrections necessary in case the Company could not continue its activity on the basis of the going concern.

3. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

Declaration of Responsibility

Financial Statements were prepared in accordance with requirements International Financial Reporting Standards (hereinafter - IFRS).

Basis for the Presentation of Financial Statements

This Financial Statements was prepared in accordance with the historical cost principle.

Neither Company members, nor other parties can make changes to this Financial Statements after its approval for release.

Reporting period of the Financial Statements is considered to be a calendar year, i.e., from January 1 to December 31, 2020.

PJSC "BIO MED SKLO"

THE NOTICES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

(expressed in thousands of Ukrainian hryvnya (in kUAH))

Fair Presentation and Compliance with IFRS

Financial Statements of the Company is the financial reporting of general assignment, prepared with the purpose to fairly present financial position, financial results and cash flows of the Company to fulfill information needs of users of financial statements before making economic decisions.

Conceptual basis of the Company's Financial Statements ending December 31, 2020 are International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and Interpretation to them published by International Auditing and Assurance Standards Board (IAASB) in current edition as of January 1, 2018, officially published at the web-site of the Ministry of Finance of Ukraine.

Financial Statements of the Company discretely and with no precaution complies with IFRS taking into account changes made by IAASB. Compliance with these standards insures fair presentation of financial statements information, i.e., relevant, precise, comparable and user-friendly information.

The Company was also driven by the national legislative and regulatory acts on accounting policy and financial statements preparation which do not contradict IFRS during preparation of the Financial Statements

IFRS approved, but not yet enforced

IFRS includes Section IRFS 16 "Leases" to be enforced from January 1, 2019 published on the web-site of the Ministry of Finance of Ukraine.

Driven by the decision of the Management of the Company IFRS 16 "Leases" is not used until the date of enforcement.

The Functional Currency and the Currency of the Report

Financial Statements were presented in Ukrainian hryvnya, which is a functional currency of the Company. All financial information was expressed in thousands of Ukrainian hryvnya if otherwise is not stated.

Transactions on other currencies were considered as transactions in foreign currency. Foreign currency transactions were first expressed in the functional currency based on NBU rate on the date of transaction.

Going Concern

Financial Statements of the Company were prepared based on the assumption the Company is the going concern, according to which disposal of assets and settlement of liabilities take place under regular activity. Financial Statements do not include corrections necessary in case the Company could not continue its activity on the basis of the going concern.

Application of the New Standards and Interpretations

During preparation of the Financial Statements for the period ending December 31, 2020 the Company applied all new and revised standards and interpretations available regarding transactions and are mandatory for application during preparation of financial statements from January 1, 2018. Application of modifications and revisions to the standards and interpretations did not cause any impact on accounting policy, financial position and financial results of the Company's activity.

Information about changes to accounting policy

The Company selects and applies its accounting policies consequently to similar transactions and conditions in case IFRS does not precisely require or allow application of certain categories of policies.

From January 1, 2018 the Company applies IFRS 15 "Revenue from Contracts with Customers". The Company receives revenue from sale of products. Application of IFRS 15 did not have impact on presentation of the results of activity.

From January 1, 2018 IFRS 9 "Financial Instruments" is applied in the new modification, which prescribes the changed approaches to depreciation of financial instruments, accounting policies to which are provided in the according sections of the Notices.

Form and Title of Financial Statements

Listing and titles of the forms of financial statements of the Company complies with requirements defined by the National Standards of Accounting 1 "General Requirements to Financial Statements" and the form of the Notices developed in accordance with IFRS.

Methods of Presentation of Information in Financial Statements

According to IFRS and the National Standards of Accounting 1 the Income Statement implies presentation of costs recognized in profit or loss according to classification based on the method of "cost function" or "cost of sale", according to which costs are classified according to their function as a part of cost of sale, or, for example, distribution cost or administrative activity.

Presentation of cash flows of operating activity in the Cash Flow Statement is conducted through application of direct method, according to which information is disclosed based on main cash flow classes on receipts or payments. Information about the main types of cash receipts and payments is prepared based on accounting records of the Company.

4. ACCOUNTING POLICY PROVISIONS

Accounting policy provided below was consequently applied for all period presented in the Financial Statements.

Recognition is the process of inclusion into the Balance Sheet of profit and loss of the item that matches the element and matches criteria of element definition. Criteria for recognition of item:

- a) probability of inflow from or outflow into the Company or any future economic benefit associated with the item;
- b) item has verifiable cost of sale or cost.

Recognition implies a wording explanation of an item and monetary amount with including of the later into the total balance of the Income Statement. Derecognition of these items cannot be corrected through disclosing of applied accounting policies or through the Notices or other explanatory materials.

The concept of probability is applied in the recognition criteria and belongs to the degree of uncertainty regarding inflow or outflow of future economic benefits associated with the item. This concept corresponds with uncertainty which outlines the environment. Measurement of the degree of uncertainty regarding future economic benefits is conducted on the basis of evidence available for the moment of financial statements preparation.

4.1 Basis for Measurement Applied During Preparation of Financial Statements

Financial statements are prepared based on historical cost, except:

- fair cost value measurement of the fixed assets as of the date of application of IFRS in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards", when this fair value was applied as a reasonable prime cost;

- fair value measurement of separate financial instruments in accordance with the IFRS 9 "Financial Instruments" with application of financial instruments measurements prescribed by IFRS 13 "Fair Value Measurement". Such measurements include quoted prices in active markets for identical assets or liabilities, discounted cash flows analysis, or other models of recognition of fair value. Estimated fair value of financial assets and liabilities is defined with application of available information about the market and according measurements.

4.2 Reporting Currency and Functional Currency, Round-off Degree

Reporting currency of financial statements and the currency of the general economic environment where the Company is functional (functional currency) is Ukrainian hryvnya. In case otherwise is stated, the numbers in financial statements are expressed in thousands of hryvnya.

4.3 Accounting Policies in Relation to Assets, Liabilities and Equity

4.3.1. Accounting Policy Formation and Changes

4.3.1.1. Accounting policy – is the set of principles, agreements and rules and practices of the Company applied during preparation of submitting of financial statements.

Company's accounting policy was developed in accordance with the norms of International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and Interpretation to them published by International Auditing and Assurance Standards Board (IAASB).

During formulation of norms of the accounting policy the Company was also ruled by the requirements of the national legislative and regulatory acts related to organization or accounting and preparation of financial statements in Ukraine, which does not contradict IFRS requirements.

4.3.1.2. The Company can change accounting policy only in case:

- a) it is required by IFRS, or
- b) it does not provide for financial statements to reflect relevant and precise information about the impact of transactions, other events on the Company's financial standing, financial results or cash flows.

Actions, not considered to be the change in the accounting policy:

- a) application of accounting policies to transaction, other events or circumstances which differ in their degree from those to have taken place earlier; and
- b) application of new accounting policies to transactions, other events or circumstances that have not taken place earlier or were considered as insignificant.

Change in the accounting policies - is a correction of balance value of an asset or liability, or the amount of a periodic use of an asset, which is the result of the measurement of current state of assets and liabilities and associated estimated future benefits and obligations. Changes in the accounting policies are the result of new information or new developments and is not a correction of errors respectively.

4.3.2. Accounting Policies Related to Financial Instruments

4.3.2.1. Recognition and Measurement of Financial Instruments

Financial Instrument - a contract that gives rise to a financial asset of one Company and a financial liability or equity instrument of another Company.

Financial Asset – is an asset that is:

PJSC "BIO MED SKLO"

THE NOTICES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

(expressed in thousands of Ukrainian hryvnya (in kUAH))

a) cash;

b) an equity instrument of another Company;

c) a contractual right:

- to receive cash or another financial asset from liability; or

- exchange financial assets or financial liabilities with another Company under conditions that are potentially favorable to the Company, or

d) a contract that will or may be settled in the Company's own equity instruments and is:

- a non-derivative for which the Company is or may be obliged to receive a variable number of the Company's own equity instruments, or

- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

Financial liabilities – any liability that is:

a) a contractual obligation:

- to deliver cash or another financial asset to another Company, or

- to exchange financial assets or financial liabilities with another Company under conditions that are potentially unfavorable to the Company, or

b) a contract that will or may be settled in the Company's own equity instruments and is

- a non-derivative for which the Company is or may be obliged to deliver a variable number of the Company's own equity instruments or

- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments..

Equity instrument- any contract that evidences a residual share in the assets of the Company after deducting all of its liabilities.

The Company recognizes a financial asset or a financial liability in the Balance Sheet only and if only it becomes the part of contractual provision in regard to financial instrument. Transactions on acquisition or sale of financial instruments is recognized under application of accounting of them on the date of settlement.

The Company recognizes the following categories of the financial assets:

- financial assets that are classified and measured at fair value through other comprehensive income;

- a financial asset is measured at amortised cost.

The Company recognizes the following categories of the financial liabilities:

- financial liabilities that are classified and measured at fair value through other comprehensive income;

- a financial liabilities is measured at amortised cost.

At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus operating costs, which belong to acquisition of issue of a financial asset or financial liability.

At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

Financial assets and liabilities are classified as current/short-term (with settlement term of less, than 12 months) and long-term (with settlement term of more, than 12 months).

Accounting policy regarding further financial instruments is described below in the according sections of the accounting policy.

4.3.2.2. Receivables

Receivables –is a financial asset, which is a contractual right to receive cash or other financial asset from another Company.

Receivables are recognized in the Balance Sheet only when the Company becomes a party in contractual relations in relation to this instrument. Initial recognition of receivables is measured by its fair value which is equal to settlement value i.e., the sum of its contractual cash flows as of the date of measurement.

The Company measures current receivables without set interest rate by the amount of initial invoice if discounting is not material.

After initial recognition further measurement of receivables which is material based on materiality degree approved for the financial statements package, is conducted by its amortized cost with effective interest rate.

In case of the evidence that depreciation took place, the Balance Sheet value of an asset is decreased by the sum of losses with application of provisions account.

Provisions for losses from depreciation is recognized as the difference between balance value and current value of estimated future cash flows. Amount of provisions for cost recovery from depreciation is calculated by the debtor review and reflects the amount, which in the Management opinion is sufficient for the cover of losses. For financial assets which are material provisions are formed based on the individual debtor review. Factors which the Company considers to define if there is any evidence for losses from depreciation include information about delinquency, liquidity, debtor playability, negative economic factors in the sector or geographical region.

In case receivables were not repaid within 3 years, provisions for cost recovery are equal to 100% from such receivable.

The amount of losses is recognized in profit or loss. In case during the future period the amount of loss from depreciation decreases and this can be associated with an event taken place after recognition of depreciation, then previously recognized loss from depreciation covered based on reserves reserve. Reversal amount is recognized in profit or loss. In case repayment is not possible, it is being written off from provisions for depreciation.

Receivables may be indisputably recognized by its fair value through other comprehensive income if such recognition removes or materially decreases inconsistency of measurement or recognition (sometimes called incoordination of accounting) which happens as a result of assets and liabilities measurement or recognition of profits and losses on them on various grounds.

Further estimation of receivables is made by its fair value, which is equal to repayment value or the sum of estimated contractual cash flows as of the date of measurement.

Cash flows associated with short-term receivables are not discounted if impact of discounting is not material.

In case there is a change of receivables' fair value as of the reporting date, it is recognized in profit (loss) for the reporting period.

4.3.2.3. Financial Assets Measured by Fair Value Through Other Comprehensive Income

Financial assets measured by fair value through other comprehensive income are securities and equity shares of the Company.

After initial recognition the Company measures them by fair value.

Fair value of shares active in the market are measured by market rate of the securities market operator.

PJSC "BIO MED SKLO"

THE NOTICES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

(expressed in thousands of Ukrainian hryvnya (in kUAH))

In case securities are presented by more than one market operator, value of shares is measured by the main market rate or by the most favorable market rate for particular shares. In case otherwise is not provided, the market at which the Company usually conducts sale transactions is considered as the main market or as the most favorable market, in case the main market is not available.

Fair value measurement of assets applies methods of conditions and data availability maximizing relevant data and minimizing closed data.

Measurement of shares that belong to the Company and are listed by the securities market operator and do not have fixed market rate as of the date of measurement, is conducted by the current balance value.

Measurement of securities and shares that belong to the Company and are not listed by the securities market operator under limited conditions may be measured by their cost of sale. This may take place when the initial information is not enough to measure by share value, or when there is a wide scope of fair value measurement, and cost of sale is the best fair value in this scope.

If there is evidence to consider that balance value significantly differs from fair value, the Company recognized fair value by other measurements. Deviations may be caused by material changes in financial standing of the issuer and/or changes in the markets where issuer is operating as well as changes in the securities market.

Fair value of securities and shares which stock turnover is held up and disposes shell features is measured taking into account renewal terms, financial statements of the issuers, results of their activity and estimated economic benefits.

4.3.2.4. Financial Assets Measured by Amortized Cost

Bonds and promissory notes are financial assets measured by amortized cost by the Company. After initial recognition the Company measured them by amortized cost using effective rate method including depreciation losses if available.

4.3.2.5. Liabilities, Bank Loans

Current liabilities – liabilities that comply with one or more of the following features:

- Company plans to settle liability or liability is subject to settlement within 12 months after the reporting period;
- Company does not have unconditional right to delay settlement of liability within at least 12 months after the reporting period.

Current liabilities are recognized in case they comply with definition and criteria of liability recognition.

Payables are recognized as liabilities when the Company becomes the part of the contract and, as a result, acquires legal liability to pay off monetary funds.

The Company measured current payables without set up interest rate by the value of primary invoice if discounting is not material.

Initially bank loans are recognized by their fair value, which is equal to the amount of inflow minus operation costs. Further on, the amounts of financial liabilities are reflected by amortized cost by effective interest method and any difference between net inflow and settlement value is recognized in profits and losses during the period of borrowing term by effective interest rate.

4.3.2.6. Effective Interest Method

Effective Interest Method – is the method of amortized cost measurement of a financial asset or financial liability (or group of financial assets or liabilities) and allocation of interest income/expense over the relevant period

Effective Interest rate - the rate that exactly discounts estimated future cash payments or receipts during the expected life of the financial asset or, and if necessary, during shorter period to net balance value of the financial asset liability.

When calculating the effective interest rate, the Company should estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but should not consider the expected credit losses.

The calculation includes all fees and commissions paid or received by the parties of the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the Company should use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value of long-term loan or receivable, for which interest rates are not accrued, can be measured by present value of all estimated inflows of cash discounted by current interest rate (prevailing interest rates) of a similar financial instrument (similar in currency, term, type of interest rate and other features) with similar credit rate indicator.

To define such interest rate (fair interest rate or nominal interest rate) averaged interest rate for the previous 12 months term is applied, which provided on the official web-site of the National Bank of Ukraine in the Section "Monetary and Financial Statistics"¹.

Cash flows associated with short-term payables are not discounted if the impact of discounting is not material.

4.3.2.7. Winding up of Financial Assets and Liabilities

Financial assets and liabilities are being wrapped up if the Company has the legal right to make an offset of recognized amounts in the Balance Sheet and has an intention to either make a reciprocal offset or settle assets and liabilities at the same time.

4.3.2.8. Cash and its Equivalents

Cash consists of cash on hand and cash on the current bank accounts.

Cash equivalents – are short-term high liquidity investments easily converted into the announced cash amounts and have insignificant risk of change of value. Investment is defined as the equivalent of cash only in case of a short settlement term, for example which in three months from acquisition.

Cash and its equivalents may be kept and transaction with them conducted in the national currency and foreign currency.

Foreign currency is the currency different for the functional currency.

Cash and its equivalents are recognized based on asset definition criteria.

Initial and further measurement of cash and its equivalents is made by fair value which is equal to their nominal value.

Initial and further measurement of cash and its equivalents in foreign currency is made in functional currency by the official exchange rate of the National Bank of Ukraine (NBU).

In case of limitations of use of cash in the current bank accounts (for instance, in case NBU introduced temporary administration in the bank institution) these assets may be classified as non-current assets. In case of NBU's decision of bank liquidation and absence of a probability of cash

¹ - посилання на офіційний сайт НБУ:

https://bank.gov.ua/control/uk/publish/article?art_id=27843415&cat_id=44578#1

return, recognition of it as an asset is discontinued and its value is recognized in losses for the reporting period.

4.3.3. Accounting Policy Related to Fixed Assets

Company recognizes a material object as a fixed asset if it is kept with the purpose of utilization, service provision, or for administrative and social and cultural functions, estimated term of its operating activity is more than one year.

Fixed assets estimated under UAH 20,000.00 are recognized as low value non-current material assets, value of which is considered as insignificant item and is recognized as current cost of the period in cost accounting in accordance with purpose of their use.

Initial measurement of fixed assets is made by its cost of sale. The Company conducted measurement of fixed assets by fair value on the date of transfer to IFRS and uses this fair value as relevant cost of a fixed asset as of the date.

Further on, fixed assets are measured by their cost of sale, which is cost of sale minus any cumulative amortization and any cumulative losses from depreciation.

The Company does not recognize daily operating costs, repair and technical service of a material object in the fixed assets balance value. These costs are recognized in profit and loss for the period accrued, except cases when such costs should be recognized as a part of the balance value of improved material object of fixed assets (capitalized) i.e., when they comply with asset definition criteria:

- if such further costs cause increase of estimated economic benefits; and
- cost value can be accurately.

Conclusions regarding compliance with asset definition criteria are provided in typical acts of operating costs or other primary documents prepared based on such costs.

Every part of an object of fixed assets, which cost of sale is material based on general cost of sale, should be amortized separately.

For accrual of amortization of fixed assets, the Company uses:

- direct method for all objects of fixed assets transferred to lease;
- declining method for all objects of fixed assets except those to which direct method is not applicable.

Amortization of fixed assets is conducted until depreciated book value of objects reached its liquidation value and during the period defined by regulation documents or Acts of Use of objects.

Amortization provisions for every period is recognized in profit and loss in case they are not included in the balance value of other asset.

Liquidation value and term of use of an asset is revised at least every financial year and, if estimations differ from previous assessment, the change is to be reflected as a change in accounting estimate. Asset amortization starts when it becomes available for use i.e., it is brought to place of location and brought to a proper working condition.

Amortization of asset is discontinued on one of the two possible dates that takes place earlier: either on the date of asset sale, or the date when its operation is discontinued. Thus, amortization is not held up if an asset is not used, or if it is not actively used until an asset is not fully amortized.

For record of fixed assets, the following groups and minimal terms of utilization are used:

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Groups	Utilization minimal term, years	Liquidation value, UAH
Group 1 – land plots	-	-
Group 3 – constructions buildings	20	5000
Transfer equipment	15	5000
Group 4 – machinery and equipment	10	5000
	5	If initial balance value is over kUAH 10.00, liquidation value is UAH 500, for others - UAH 1.00
Among which:		
Electronic equipment, other machines for automatic information processing, associated means of data reading and printing equipment and software (except software, purchase cost of which are considered royalty, and/or software defined as non-material asset), other information systems, commutators, routers, modules, models, uninterrupted power supply and means of their connection to telecommunication networks, telephones (including table ones), microphones and portable transmitters, value of which does not exceed UAH 6000.00	2	If initial balance value was over kUAH 10.00, liquidation value is UAH 500, for other - UAH 1.00
Group 5 – means of transportation	5	1000
Group 6 - instruments, appliances, inventories, furniture	4	1
Group 9 – other fixed assets	12	1

Capital investments of the rented premises are amortized during the term of their use. Asset amortization starts when it becomes available for use. Amortization of asset is discontinued on one of the two possible dates that takes place earlier: either on the date off asset sale, or the date when its operation is discontinued. Thus, amortization is not held up in an asset is not used, or if it is not actively used until an asset is not fully amortized.

During revaluation of fixed assets any cumulative amortization amount on the date of revaluation is usually considered by amortization reduction method i.e., when the amount of cumulative amortization is deducted from gross balance value of asset, while net value is recalculated to revaluated asset value. This method is mandatory for buildings. Revaluation index method is also allowed for use.

Revaluation surplus of fixes assets is transferred to retained earnings when derecognition of asset takes place. This can be connected with the transfer of all revaluation surplus when an asset is taken out from use or is liquidated. Transfer from revaluation surplus to retained earnings is conducted through profit or loss.

4.3.4. Accounting Policy Related to Intangible Assets

Intangible asset - is a non-monetary asset which does not have physical substance and can be recognized.

Intangible asset is recognized when the following criteria are realized:

a) Asset is identified, which is when it:

- can be separated from the Company and sold, transferred, licensed, rented out or exchanged individually or together with its contract, identified asset or liability no matter if the Company plans to do so or not;

- appears as a result of contractual or other legal rights no matter if they can be transferred or separated from the Company, or from other rights and liabilities.

б) asset is controlled by the Company as a result of previous events;

в) asset is expected to bring estimated economic benefits to the Company;

г) asset value can be measured precisely.

Intangible assets should be initially measured by cost of sale.

Purchase costs of separately acquired intangible assets include:

- its purchase cost, including custom charges and non-refundable taxes after discounts; and

- any other costs.

For an intangible asset to comply with asset recognition criteria, the Company classifies generation of assets into:

a) research stage; and

б) development stage.

Costs bared at the stage of research (internal project research) are not recognized as a part of intangible asset, these costs should be recognized as bared costs.

Costs bared at the stage of development (internal project development), should be recognized as a part of intangible asset only in the Company can prove the following:

- technical capacity to complete goodwill so it is available for use or sale;

- its intention to complete intangible asset and use or sale it;

- its capacity to use or sale as asset;

- future intangible asset will general estimated economic benefits;

- availability of appropriate technical, financial and other resources for completion of as asset so it is ready to use or sale;

- its capacity to precisely assess as asset's development costs.

Internally generated brands, titles, names of editions, lists of clients and other similar assets are not recognized as intangible asset (goodwill).

To components of cost of sale of internally generated intangible assets the following elements are not included:

- sale, administration and other general costs which cannot be directly associated with asset preparation for use;

- identified shortcomings and starting operating losses if they are bared before intangible asset reaches its planned effectiveness; and

- educational costs for staff associated with use of intangible asset.

After recognition intangible asset are accounted by cost of sale model with deduction of any cumulative amortization and any cumulative losses from depreciation.

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Amortization of intangible assets is conducted by direct method.

Amortization of an asset start when it becomes available for use in a way identified by the Management.

Amortization of asset is discontinued on one of the two possible dates that takes place earlier: either on the date off asset sale, or the date when its operation is discontinued. Thus, amortization is not held up in an asset is not used, or if it is not actively used until an asset is not fully amortized.

Liquidation value of an intangible asset with defined term of use should be taken as zero, except cases when:

- there is a third party liability to purchase as asset in the end of its useful life, or
- there is an active market for such asset and: liquidation value can be defined based on the reference to this market; and there is a high probability that such market will continue its operation in the end of useful life of an intangible asset.

Intangible asset term-of-use is defined separately for every asset at the moment of its suitability for use in the order or other regulation document.

Intangible asset emerging as a result of contractual or legal rights are amortized during the period of such rights.

For intangible assets accounting the following groups and minimal terms of use are utilized.

Groups	Minimal term of use, years
Group 3 – rights to commercial signs (rights to trade marks (signs for goods and services), commercial (company) names, etc.), except those, purchase cost of which are considered royalty	In accordance with right establishing document
Group 5 – copyright and related rights (literature, music, artistic composing, computer software, software for electronic and calculation equipment, data compilations (databases), phonograms, video grams, programs of communication organizations, etc.), except those, purchase cost of which are considered royalty	In accordance with right establishing document, but not less, than 2 years

In case in accordance with the right establishing document the term of use for an intangible asset is not defined, the term of the right-of-use is defined by the Company independently, but not less than 2 years, and not more than 10 years.

In case the term of use of an intangible asset cannot be defined, amortization is not accrued, but asset testing procedures to identification of its depreciation are conducted.

4.3.5. Accounting Policies Related to Depreciation of Fixed Assets and Intangible

Assets

In the end of every reporting period the Company measures decrease of useful life (depreciation) of an asset. If at least one of such signs is available the Company measures the amount of estimated refund of such asset.

Balance value of asset should be decreased until the amount of its estimated refund only if the amount of refund of an asset is lower, than its balance value. Such decrease is a loss from decrease of useful life.

A loss form decrease of useful life should immediately be recognized in profits and losses in case an asset is not accounted by revaluation value in accordance with other standards (for example, in accordance with the revaluation model provided in IAS 16). Any loss from decrease of useful life

or revalued assets should be recognized as decrease of provisions for revaluation (additional capital) by this other standard.

After recognition of loss from decrease of useful life accrual of asset amortization should be corrected for future periods for distribution of reconsidered balance value of asset by deducting of its liquidation value (if there is any) systematically during the term of useful life which remains.

Loss from decrease of useful life recognized for an asset during previous periods should be reversed if and only if previous measurements changed from the moment of recognition of loss from decreased of useful life.

If so, the balance value of an asset should be increased by the amount of estimated refund. Such increase is a reversal of loss from decrease of useful life. The increased balance value as a result of reversal of refund should not exceed balance value (except deducted amortization) which would be recognized if loss from decrease of useful life was not recognized during previous years.

4.3.6. Accounting Policies Related in Investment Real Estate

Investment real estate of the Company includes real estate (land and buildings or a part of a building, or their combination) kept under the rights of ownership and according to the agreement of financial lease with the purpose to receive rent payments or increase the value of capital or to reach other goals, but not for:

- use in production or during delivery of goods, provision of services or for administrative purpose, or
- standard sale.

Investment real estate is defined as an asset if and only if:

- there is a probability that the Company receives estimated economic benefits which associated with investment real estate,
- cost of sale of investment real estate can be precisely measured.

If building include one part which is kept with the purpose of rent payments and the other part utilized during the Company's activity, or for administrative purpose in accounting such parts of real estate are measured and reflected separately in case they can be sold separately.

In case it is impossible to sale parts separately, such real estate is an investment real estate only in rented out part exceeds **50% of its size**.

Initial estimation of investment real estate is conducted by cost of sale. Cost for operation is included t historical value. Cost of sale of acquired investment real estate includes the cost of it purchase and any other costs related to acquisition. Costs related to acquisition cover remuneration for provision of legal service, taxes related to transfer of ownership right and other costs for operation.

Recognition of investment real estate should be discontinued (exclude from the Income Statement) in case of disposal of asset or when investment real estate is taken from utilization on a permanent basis and it no estimated economic benefits are expected from its disposal.

4.3.7. Accounting Policies for Non-Current Assets Kept for Sale

Non-current asset –is an asset that complies with definition of non-current asset.

Current asset – is an asset that complies with any of the following criteria:

- a) by expectation will be realized or appointed for sale or use during regular operation cycle of the Company;

b) is kept mainly with the purpose of sale;

c) by expectation will be realized during twelve months after the reporting period, or

d) is cash or equivalent (as defined by IAS 7) if its exchange or use for settlement of liability is not limited by at least twelve months after the reporting period.

The Company classifies current asset (or liquidation group) as kept for sale in case its balance value will be mainly reimbursed through sale, but not a regular use.

For this matter an asset (or liquidation group) should be available for immediate sale in the condition it is for the moment of sale under regular conditions of sale of such assets (or liquidation groups), and the sale should be highly possible.

The Company estimates non-current asset (or liquidation group) classified as the one kept for sale by lowest of measurements: either by balance value, or by fair value with deduction of sale costs.

The Company does not accrue amortization of an asset for the period when it is classified as the one kept for sale, or when it is a part of a liquidation group classified as the one kept for sale.

As of the moment of preparation of Financial Statements non-current assets (or liquidation group) are being tested for depreciation and recognized by the lowest from values by separate items in the Income Statement.

The Company measured non-current asset which no longer is classified as the one kept for sale (or is no longer included into the liquidation group classified as the one kept for sale) by the lowest of measurements:

- balance value of asset (or liquidation group) before it (or liquidation group) was classified as the one kept for sale, adjusted by amortization or revaluation which were recognized if an asset (or liquidation group) was not classified as the one kept for sale, or

- amount of estimated refund for the date of further decision regarding refuse of sale.

4.3.8. Accounting Policies Related to Lease

Financial lease – is a lease under which all risks and remunerations associated with ownership right for an asset are transferred. The Company as a lessee in the beginning of lease rent defines financial lease as an asset and liability by amounts which are equal to fair cost value of rented property, or (if it is less than fair value) by the present value of minimal rental payments.

Minimal rental payments are distributed between financial cost and reduction of unpaid obligations.

Finance costs are distributed for every period in a way to provide sustainable periodic share of interest rate of the unpaid obligation. Unforeseen rental payments are reflected as costs in those periods during which they were borne.

Policy for accrual of amortization on lease assets is complied with standard Company's policy regarding similar assets.

If there is no grounded assurance that the Company as a lessee receives the ownership right by the end of term of lease, as asset is fully amortized during the shortest term from: the term of rent or the term of useful life.

Lease of assets under which risks and remunerations associated with the ownership right for an asset de facto are retained by the leaseholder is classified as operating lease.

Rental payments under agreement of operating lease are recognized as costs by direct method during the term of rent.

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Profits from rent under operating lease agreement the Company recognizes by direct method during the term of rent. Costs including amortization, bared during receipt of profit from rent are recognized as costs according to other recognized norms of this accounting policy.

4.3.9. Accounting Policies Related to Stock Costs

Stock – are assets that:

- kept for sale under regular business cycle;
- are in process of production for future sale, or
- are in the form of main or supporting materials for consumption during production process or during provision of service.

Net realizable value – previously measured selling price under a regular business cycle minus previously measured costs for completion and future distribution costs.

Stock is measured by the lowest value from the two: cost of sale or net realizable value.

Costs for purchase of stock consist of purchase price, incoming charge and other taxes (except those refundable for entities and from transportation, loading, offloading and other costs associated with purchase of goods, materials and services. Trading discounts, other discounts and other similar items are deducted during recognition of costs.

Cost of sale of stock should include costs for purchase, processing and other costs bared during delivery of stock to their current location and bringing them into current position.

Costs for purchase of stock includes purchase cost, incoming charge and other taxes (except those refundable for entities and from transportation, loading, offloading and other costs associated with purchase of goods, materials and services. Trading discounts, other discounts and other similar items are deducted during recognition of costs.

Cost of transportation and provisioning works which is aggregated on a separate subaccount of records is monthly divided between the ending balance of a month and amount of stock that was disposed (used, realized, transferred free of charge, etc.) for the reporting period. The cost of transportation and provisioning works related to stock that was disposed is recognized as an average rate of transportation and provisioning costs and cost of stock that was disposed reflecting in the same records as the actual disposal of the stock. Average rate of transportation and provisioning costs is defined by dividing the amount of these opening costs and transportation and provisioning cost for the reporting month and stock provided for the reporting month.

Production cost of sale of goods (processing costs) covers costs directly related to production and includes:

- direct material costs;
- direct employee costs;
- other direct costs;
- variable production overheads (variable production acceptance notes)
- fixed production overheads (permanent production acceptance notes).

Distribution of fixed production overheads on costs associated with processing is based on regular production capacity.

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Normal capacity is an expected level of capacity which can be reached during several periods or seasons under regular conditions taking into account decrease of capacity that appears as a result of planned servicing.

In case during certain reporting periods some fixed assets are not used in production at all, their amortization, repair and other related costs are reflected in the costs for the reporting period fully, i.e., without previously mentioned mechanism of proportional distribution.

Distribution of fixed production costs is not used if underutilization of capacity is within 10%. In this case normal capacity is considered utilized and fixed production costs formulate production cost of sale.

Aforementioned order of consideration of normal capacity provides that fixed production overheads for every production unit does not increase as a result of low production or a stand.

Variable production overheads (except fixed assets with useful life of less than a year) and fixed distributed production overheads are distributed for every production unit based on rational and consistent bases of distribution, i.e., for the Company this is based on direct material costs (article "Raw and Other Materials") or employees expenses for main employees which was included into production cost of sale.

A share of variable production overheads calculated according to norms is also transferred to production cost of sale. Share on undistributed production overheads (by months) until the moment of the use should not be accounted for in the value of produced goods. Record of undistributed value on balance accounts is allowed to be organized: "Incomplete production" or "Deferred costs"

Examples of costs that are not included in a cost of sale of stock and dare defined as cost for the period are the following:

a) administrative costs, not related to stock delivery to their current location and brought into their current state, for example:

- general corporate costs (organizational costs, annual meetings costs, representative expenses, etc.);
- business travel costs and management costs and other staff ;
- costs for fixed assets, other material non-current assets of general use (operating lease, insurance of property, amortization, repair, heating, light, water supply and sewage, security);
- remuneration for professional service (legal, audit, property assessment, etc.);
- communication costs;
- amortization of intangible assets;
- costs for judicial litigation;
- taxes, charges and other estimated payments to the budget (except taxes included into cost of sale of products, works and services);
- cash service costs and other banking service and exchange costs;

b) sales costs and preservation cost, except costs associated with production process and are fixed for preparation of next production period, for example:

- packing costs;
- packing repair costs;
- staff costs, remuneration for traders, trade agents, etc.;
- marketing costs;
- pre-sale preparation of products cost;
- cost for business trips for personnel engaged in distribution;
- costs for keeping fixes assets, other material non-current assets associated with distribution;

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- transportation costs, transshipping costs, insurance of products, other costs associated with transportation of products;

- guarantee service costs;

- stocked products insurance costs;

- products transportation costs;

- other costs associated with transportation and distribution of products;

c) other operating costs:

- research and development costs;

- cost of sale of disposed products that for the purpose of accounting consists of its accounting value and costs associated with their disposal;

- amount of hopeless receivables and contingent debts provisioning;

- exchange fluctuations costs (change of exchange rate on transactions, assets and liabilities);

- stock devaluation costs;

- shortage costs, material waste during production process ;

- fees, fines, penalties.

The Company uses the following methods of stock cost of sale (stock disposal measurement method):

- during sale or other disposal of raw and other materials, products the formula of average cost of sale is used;

- during sending for production, sale and other disposal of construction materials, spare parts, gas, low value and non-durable units and other stock a stock cost of sale identification is used, which is when certain costs are associated with certain types of stock units.

Analytical record of products cost of sale by parcel record. Parcel is a produced number of products during one shift in the number of units by produced features.

Costs are decrease of economic benefits during accounting period as disposed or amortized assets as liabilities resulting in decrease of net assets except for decrease associated with payment to staff.

Costs are recognized in the Income Statement with simultaneous increase of liabilities or decrease of assets.

Costs are immediately recognized in the Income Statement when expenses do not provide estimated economic benefits and when in the way estimated economic benefits stops being an asset in the Financial Statement.

Costs are recognized in the Income Statement in those cases when liabilities appear without recognition of an asset.

Costs bared due to receipt of profit are recognized in the same period as appropriate profits.

4.3.10. Accounting Policies Related to Revenue

Revenue - the gross inflow of economic benefits during the period arising in the course of the ordinary activities of the Company when the inflows result in increases in equity, other than increases relating to contributions from equity participants

Revenue is defined in the Balance Sheet. Recognition of revenue takes place simultaneously with recognition of increase of assets or decrease of liability.

Revenue arising from the sale of goods should be recognised when all of the following criteria have been satisfied:

- the seller has transferred to the buyer the significant risks and rewards of ownership

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- the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the transaction will flow to the seller, and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

For revenue arising from the rendering of services, provided that all of the following criteria are met, revenue should be recognised by reference to the stage of completion of the transaction at the Balance Sheet date.

Dividends are recognized as revenue when the right to receive funds is confirmed.

4.3.11. Accounting Policies Related to Borrowing Costs and Qualifying Assets

Borrowing costs - are costs attributed to interest payment and other costs bared by the Company.

The Company capitalizes borrowing costs that directly attributable to the acquisition, construction or production of a 'qualifying asset' (one that necessarily takes a substantial period of time to get ready for its intended use or sale) are included in the cost of the asset. Other borrowing costs are recognized as an expense.

Where funds are borrowed specifically, costs eligible for capitalisation are the actual costs incurred less any income earned on the temporary investment of such borrowings. Where funds are part of a general pool, the eligible amount is determined by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate will be the weighted average of the borrowing costs applicable to the general pool.

The Company starts capitalization of borrowing cost as a part of cost of sale of a qualifying asset on the date of capitalization. The date of capitalization is the date when the Company initially complies with conditions provided below:

- a) it bared costs associated with asset;
- б) it bared borrowing costs;
- в) it conducts activity necessary for preparation of the asset for its use and/or sale.

The Company discontinues capitalization of borrowing cost during long periods when it discontinues active development of a qualifying asset. Long period is the period that exceeds **three months**.

However, the Company does not discontinue capitalization of borrowing cost during the periods when it conducts significant technical and administrative work and in case of temporary pause in the process necessary for preparation of asset for its planned use or realization.

The Company discontinues capitalization of borrowing costs in case all activity necessary for preparation of qualifying asset if its planned use or sale is completed.

4.3.12. Accounting Policies Related to Provision, Contingent Liabilities and Contingent Assets

Provisions – are liabilities of uncertain timing or amount.

Contingent liability is:

- a) a potential liability that arises from past practices and which existence will be recognized only after one or several undefined future events take place and which are not fully controlled by the Company, or

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b) existing liability that arises from past practice, but is not recognized as:

- there is no probability that disposal of sources which embed economic benefits will be necessary for settlement of an obligation, or
- amount of obligation cannot be measured precisely enough.

Contingent asset - possible asset, that arises from past practices and which existence will be recognized only after one or several undefined future events take place and which are not fully controlled by the Company.

Provisions should be recognized if:

- a) the Company has an existing obligation (legal or constructive, as a result of the past event);
- b) probably the disposal of sources, that embody economic benefits, will be necessary to settle obligation;
- c) it is possible to precisely measure the amount of obligation;
- d) in case of non-implementing of such conditions the provision is not recognized.

Provisions are set to reimburse next (future) operating costs:

- personnel vacation interest payment;
- additional pension provision;
- settlement of guarantee obligations;
- restructuring, settlement of obligations under termination of activity;
- settling obligations In relation to onerous executory contracts.

Provision of payments of vacation interest to employees, including deductions for overall state social insurance from these amounts as of the end of quarters and the reporting year, is defined on calculation based on a number of days not used by the employees of the Company for annual vacation and average wage of employees.

The amount of provision for vacation payments for closing month is defined as an addition to accrued salary of an employee and interest calculated as a ratio of annual planned amount for vacation to planned salary fund taking into account the according number of deductions for overall state social insurance.

The Company does not identify in the Financial Statements contingent liabilities and contingent assets, at the same time:

- information about contingent liabilities is reflected in the Notice to Financial Statements in disposal of resources that embody economic benefits is remote;
- information about contingent assets is reflected in the Notice to the Financial Statements when inflow of economic benefits is possible.

4.3.13. Accounting Policies Related to Income tax

Income tax costs are the sum of current and deferred taxes. Current tax is defined as the sum of payable income tax regarding taxable income for the reporting period. Current tax costs of the Company are calculated under use of tax rates, current for the date of balance.

Deferred tax is calculated by the Balance Sheet liability accounting method and is a tax assets and liabilities that arise as a result of temporary differences between balance value of assets or liabilities in the balance and their tax base.

Deferred tax liability is recognised for all taxable temporary differences..

A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured on a quarter basis on the date of interim statements and annually on the date of Financial Statements.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured to the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period. The measurement reflects the Company's expectations, at the end of the reporting period, as to the manner in which the carrying amount of its assets and liabilities will be recovered or settled.

The Company recognizes current and deferred tax assets in equity if tax belongs to items reflected in equity in the same or in the different period.

4.3.14. Accounting Policies Related to Other Assets, Liabilities and Equity

Payments to Employees

The Company recognizes short-term payments to employees as costs and as liabilities after deduction of any already paid-in amount. The Company recognizes estimated value of short-term payments to employees as a provision of unavailable vacation – during provision of services by employees which increase their right to future vacation payments.

Pension Provision

In accordance with Ukrainian legislation the Company deducts portions of salaries of employees to the Pension Fund. Current payments are calculated as portion deductions from current accrual of salaries, such costs are reflected in the period of provided service and accrued salary.

During calculation on pension plans with identified deductions a qualified actuary is engaged once a year to conduct actuary assumptions (calculations).

Operations with Foreign Currency

Foreign currency operations are accounted in Ukrainian hryvnya at the official exchange rate of the National Bank of Ukraine on the date of operation.

Monetary assets and liabilities reflected in foreign currency are recalculated into Ukrainian hryvnya based on the exchange rate of the NBU on the date of the Balance Sheet. Non-monetary items which are measured by historical value in foreign currency are reflected through exchange rate on the date of operation, non-monetary items which are measured by fair value in foreign currency are reflected through exchange rate on the date of fair value measurement. Exchange rate differences that arise on monetary items after recalculation are reflected in profit or loss in the period they arise.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS

Preparation of financial statements in accordance with IFRS requires from the Management measurements and assumptions that impact the assets and liabilities, disclosure of contingent assets and liabilities as of the reporting date and revenues and costs for the reporting period. Such measurements include subjective factors and belong to past experience, current and estimated

PJSC "BIO MED SKLO"

THE NOTICES TO FINANCIAL STATEMENTS

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(expressed in thousands of Ukrainian hryvnya (in kUAH))

economic benefits and other available information. Actual results may differ from identified measurements.

Current financial statements include assessment of Management regarding value of assets and liabilities, revenues, costs and recognition of contractual obligations.

Judgement related to operation, events and conditions under no availability if IFRS

If there is no IFRS that is precisely applied to operation, other event or condition, the Company Management applies professional judgements during application of accounting policy to be relevant for the users and to be precise in the meaning that financial statements:

- provides precise financial state, financial results of activity and cash flows of the Company;
- reflects economic essence of operations, other events and conditions, not just legal form;
- are neutral, i.e., free from preoccupation;
- are full in all material aspects.

During making a judgement the Management of the Company refers to appropriateness of provided further sources and takes account of them in downward order:

- a) requirements to IFRS about similar and related issues;
- б) identification, criteria of acknowledgement, concepts of measurements of assets and liabilities, revenues and costs in the Conceptual basis of financial statements.

During making a judgement the Management of the Company takes into account the latest provision of other authorities that develop and approve standards that apply similar conceptual base for development of standards, other professional literature on accounting and acknowledged sector practices in a way under which they do not contradict aforementioned sources.

Judgement Related to the Features of Asset Depreciation

For every reporting date the Company conducts assessment of receivables, other receivables for depreciation. Loss from depreciation is defined based on individual professional judgement of the Management under available data that prove decrease of estimated future cash flow on this asset as a result of one or several events that took place after the recognition of asset.

SEGMENTS

The Company used the right to disclose information per segments as the Company's shares are not rotated in the open market and the Company also does not have intention to issue instruments of any class for open market turnover.

PJSC "BIO MED SKLO"

THE NOTICES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

*(expressed in thousands of Ukrainian hryvnya (in kUAH))***6. DISCLOSING OF INFORMATION THAT VERIFY LINE ITEMS PROVIDED IN FINANCIAL STATEMENTS**

Income Structure from commercial activity of the Company:

6.1. INCOME

UAH

6.1.1 Other operating income	Year ending 31.12.2019	Year ending 31.12.2020
Income from operating exchange differences	35 709	39 406
Income from realization of fixed/ intangible assets		
Income from receivables write-off		
Surplus stocks		
Other income from operating activity		
Total	35 709	39 406

6.1.2 Other financial income	Year ending 31.12.2019	Year ending 31.12.2020
Interest received	552	130
	-	-
Total	552	130

6.1.3 Other income	Year ending 31.12.2019	Year ending 31.12.2020
Income from receivables write-off	2 154	837
Other operating income	325	
Income from sale of fixed assets	303	
Income from other state institutions	109	54
Non-operating foreign exchange difference	59 705	
Charges, fines, penalties	89	7
Other extraordinary income		1 712
Income from disposal of waste	960	650
Profit from fixed/intangible assets		2 139
Total	63 645	5 399

6.2. COSTS

UAH

6.2.1 Elements of operating costs	Year ending 31.12.2019	Year ending 31.12.2020
Fixed costs	263 654	296 775
Labor costs	48 242	51 739

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AS OF DECEMBER 31, 2020

(expressed in thousands of Ukrainian hryvnya (in kUAH))

Social activity deductions	10 840	13 530
Amortization	105 429	122 316
Other operating costs	21 601	34 736
Total	449 766	519 096

6.2.2 Administrative costs	Year ending 31.12.2019	Year ending 31.12.2020
Professional service	1 269	1 193
Remuneration with taxes and deductions	9 732	10 657
Taxes and Charges	1 272	1 295
Depreciation	1 106	1 649
Raw material	819	
Other costs	9 710	7 383
Total	23 908	22 177

6.2.3 Distribution costs	Year ending 31.12.2019	Year ending 31.12.2020
Transportation costs	279	958
Depreciation	2 253	9 767
Remuneration with taxes and deductions	5 362	4 824
Other third-party costs	828	616
Materials, gas	1 889	213
Other costs	1 940	3 897
Transport and equipment lease	1 318	2 789
Total	13 869	23 064

In 2019 Transportation costs are included in cost of sale of produced products

6.2.4 Other operating costs and other costs	Year ending 31.12.2019	Year ending 31.12.2020
Preferential pension	1 346	1 071
Charges, fines, penalties	283	91
Other costs from operating activity	2 090	6 440
Operating foreign exchange difference		8 813
Non-operating foreign exchange difference		194 970
Intangible assets write off	2 347	602
Total	6 066	211 987

6.2.5 Financing costs	Year ending 31.12.2019	Year ending 31.12.2020
Bank loans interest	30 075	28 854
Other financing costs	905	1 064
Total	30 980	29 918

PJSC "BIO MED SKLO"

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AS OF DECEMBER 31, 2020

(expressed in thousands of Ukrainian hryvnya (in kUAH))

6.2.6 Amortization costs	Year ending 31.12.2019	Year ending 31.12.2020
Amortization of production fixed assets	102 056	110 900
Amortization of administrative fixed assets	983	1 670
Amortization of distribution fixed assets	2 253	9 746
Amortization of other fixed assets	137	
Total	105 429	122 316

6.3. Taxes

UAH

6.3.1 Income tax and Deferred tax assets/liabilities	Year ending 31.12.2019	Year ending 31.12.2020
Current income tax costs	(214)	979
Deferred tax assets:		
Deferred tax liabilities	(29 697)	(14 546)
Included into the Balance Sheet – total including:	5 223	(15 151)
Current income tax costs	(6 933)	(1 179)
decrease (increase) of deferred tax assets		
decrease (increase) of deferred tax liabilities	12 156	(16 331)

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 (expressed in thousands of Ukrainian hryvnya (in kUAH))

6.4 FIXED ASSETS

Fixed assets movement for the year ending 31.12.2020:

	Land plots, buildings and constructions	Machinery and equipment	Transportation	Instruments, equipment, inventory	Other	Total
Historical value						
As of 01.01.2020	190 040	806 618	20 186	31 827	20 935	1 069 605
For 2020:						
Inflow	4 070	77 972	155	16 441	784	99 422
Outflow	-	(48 996)	(3 978)	(66)	(6)	(53 046)
As of 31.12.2020	194 110	835 594	16 363	48 202	21 713	1 115 981
Depreciation						
As of 01.01.2020	(26 511)	(324 924)	(15 084)	(21 586)	(13 104)	(401 209)
For 2020						
Accrued	(4 438)	(101 135)	(1 689)	(14 225)	(464)	(121 951)
Disposed	-	48 203	3 711	65	7	51 986
As of 31.12.2020	(30 949)	(377 856)	(13 062)	(35 746)	(13 561)	(471 174)
Balance value:						
As of 31.12.2019	163 529	481 694	5 102	10 241	7 831	668 396
As of 31.12.2020	163 161	457 738	3 301	12 456	8 152	644 807

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AS OF DECEMBER 31, 2020

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6.5. INTANGIBLE ASSETS		UAH
6.5.1. Intangible Assets in the Balance Sheet	31.12.2019	31.12.2020
Historical value	1 771	1 796
Cumulative amortization	(210)	(600)
Net balance value	1 561	1 196

6.6. Investment Real Estate

6.6.1 Investment Real Estate	Total Investment Real estate
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As of 31.12.2018	-
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Historical value and depreciation of investment real estate adjustments

Acquisitions for the period	-
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Disposal for the period	-
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As of 31.12.2019	-
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6.7. STOCK

		UAH
6.7.1 Stock	31.12.2019	31.12.2020
End Products	48 064	63 563
Products	38	
Raw material	16 932	15 995
Spare parts	16 932	19 152
Gas		1 906
Other stock	6 855	4 832
Production in progress	964	1 070
Packing materials	5 863	7 355
Minus reserve for stock depreciation	(332)	(451)
Total	95 316	113 422

6.8. TRADING AND OTHER PAYABLES

		UAH
6.8.1 Trading and other payables in the Balance Sheet	31.12.2019	31.12.2020
Trade receivables for goods	92 354	118 443
Reserve for trade receivables		
Receivables by pre-payment	9 122	27 509
Receivables from internal settlements	6 177	24 251
Receivables from pre-paid settlements with budget	11 297	25 251
Other current receivables	2 298	2 189
Deferred costs	8 264	5 313
Total:	129 512	202 956

PJSC "BIO MED SKLO"

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AS OF DECEMBER 31, 2020

(expressed in thousands of Ukrainian hryvnya (in kUAH))

6.8.3 Contingent Debts reserve movement	31.12.2019	31.12.2020
January 1		
Contingent Debts Reserve increase	(6169)	(10)
Contingent Debts Reserve update		
Use		
December 31		

6.9. CASH

6.9.1 Cash in the Balance Sheet	31.12.2019	31.12.2020
Cash on hand		
Cash in bank accounts	14 512	2 432
Total	14 512	2 432

6.10 REGISTERED, ADDITIONAL EQUITY TA RESERVES

		UAH
6.10.1 Equity in the Balance Sheet	31.12.2019	31.12.2020
Registered ordinary shares (amount)	2 301 941 486	2 301 941 486
Nominal value of share	0,10	0,10

6.10.2 Distribution of shares

UGLASS HOLDINGS LIMITED	100%	100%
Other shareholders		

6.11 CREDITS AND LOANS

6.11.1 Credits term	31.12.2019	31.12.2020
Current share of long-term loans	-	-
Short-term loans	-	-
Long-term loans	476 948	717 720
Interest rate settlements	45 160	7 654
Total	522 108	725 374

6.12. TRADING PAYBLES AND OTHER LIABILITIES

		UAH
Trading payables and other liabilities	31.12.2019	31.12.2020
Current trading payables for goods, works, services	16 366	21 116
Current payables from internal settlements	119 141	49 272

PJSC "BIO MED SKLO"
 THE NOTICES TO FINANCIAL STATEMENTS
 AS OF DECEMBER 31, 2020
(expressed in thousands of Ukrainian hryvnya (in kUAH))

Other payables	1 073	1 944
Total:	136 580	72 332

Advances received and other financial liabilities

Current payables for settlements with budget	632	751
Current payables for insurance settlements	382	314
Current payable for labor costs	1 941	2 248
Advances received	2 229	522
Total:	5 184	3 835

In accordance with IAS 24 "Related Party Disclosures" parties are considered related if one of them is able to control the other or cause significant influence on the activity of the other during the process of financing or operating decision making. During consideration of every possible related party, a special attention is drawn to the content of relations, not just its legal form.

Related parties can sign agreements which otherwise would not be signed with non-related parties. Prices and conditions of the agreements may differ from prices and conditions of agreements with non-related parties.

6.13. Related Party Transactions

6.13.1 Parties with significant influence on the Company	2019	2020
Related parties' transactions earnings	17 299	15 097
Purchases from related parties	7 987	16 386

	31.12.2019	31.12.2020
Trade receivables	1 024	12 215
Other current receivables	5153	12 036
Financial aid granted and pre-payments		
Trade payables	73 981	41 618
Other payables		
Long-term loans	476 948	717 720
Interest settlements	45 160	7 654

Related parties are:

HELLENIC GLASS INDUSTRY S.A.
 YALOS HOLDINGS (OVERSEAS) LIMITED
 UGLASS HOLDINGS LIMITED
 UNIGLASS HELLAS S.A.

PJSC "BIO MED SKLO"

THE NOTICES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

(expressed in thousands of Ukrainian hryvnya (in kUAH))

UNIGLASS GLASSWORKS SRL

NEW GLASS JSC

BUCHANSKY ZAVOD SKLOTARY LLC

7. CURRENT AND POTENTIAL FINANCIAL OBLIGATIONS

Economic situation

The Company operates in Ukraine. Laws and regulations that influence the Company's activity in Ukraine may be subject to amendments within short periods of time. As a result of this, assets and operating activity of the Company may be subject to risk under any uncondusive change in political and economic environment.

Tax system

Tax Code of Ukraine is active since January 1, 2011. This regulatory document completely changed the principle of income tax assessment and made significant changes to norms that regulate assessment of other taxes and charges. Taxes and charges paid by the Company include income tax, deductions to payroll fund, and other taxes and charges. There is a heteropolar judicial practice in relation to many issues that arise during taxation. There are different points of view regarding interpretations of legal norms among state institutions (for example, tax administration and its inspection) which leads to general uncertainty and creates background for conflict situations. Proper preparation of tax declarations and other legislative compliances (for example, the issue of customs clearance and exchange regulation) is subject to review by a number of controlling organs which are authorized to issue fines, and other charges of significant amount. All of the listed factors identify tax risks in Ukraine more significant than can be overviewed in other states with developed tax system.

Legal Obligations

In line with its regular activity the Company deals with legal claims and complaints. The Management thinks that maximum of responsibility on obligations as a result of such complaints apart from already recognized in financial statements can not have significant negative impact on financial situation or the financial results of the Company in future.

As of the reporting dates the Company has been the side on the following cases: №0670/6364/12, № 806/3146/13-a, № 806/1292/16, № 906/156/18, № 757/13863/18-II, № 757/34286/18-II, № 906/1249/19.

Pension and Other Liabilities Related to Employees Payroll

Company employees receive pension provisions from the Pension Fund, the state institutions in accordance with regulatory and legislative acts of Ukraine. The Company is obligated to deduct certain portion of a salary to Pension Fund with the purpose of further pension retirement payments. The only obligation of the Company in accordance with this pension plan is deduction of certain portion from salaries to the Pension Fund.

8. FINANCIAL RISKS MANAGEMENT POLICY

Risk management plays an important role in operating activity of the Company. It is realized in a permanent assessment and identification of levels of risk and is based on the system of internal control. During strategic planning the Management of the Company assesses the risks of Company's activity such as change of environment, technology and change of the sector. The main risks associated with the Company's activity are: credit risks, liquidity risks, and market risks.

PJSC "BIO MED SKLO"

THE NOTICES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

(expressed in thousands of Ukrainian hryvnya (in kUAH))

Equity Management

The purpose of equity management is: to provide for the Company to continue its operation as the going concern and is aimed to receive profit, and to provide for financing of operating needs, capital investments and Company's strategic development. Equity Management policy of the Company is aimed at support of the Company's optimal structure and decrease of cumulative costs of debt capital.

Credit Risk

Financial instruments under which the Company may receive material credit risk, are represented in general by trading and other receivables and cash and its equivalents. Cash is lodged in financial institutions, which at the moment of lodging were considered reliable. The Management utilizes credit policy and conducts permanent control over probability of credit risk.

Liquidity Risk

Liquidity risk – is the risk that the Company will not be able to carry its obligations at the term of its settlement under regular or extraordinary conditions. To mitigate this risk the Company keeps record of the contract terms obligations and liabilities wise.

Market Risk

Market risk – is the risk that fair value of future cash flows for financial instruments will fluctuate as a result of the changes in market price. Market prices include the following risks: foreign exchange risk, interest rate risk, other price risks.

Currency risk

Currency risk - is the risk caused by fluctuations of foreign exchange rate which may negatively impact future cash flows or fair value of financial instruments. Large fluctuations may significantly influence the profit of the Company.

9. EVENTS AFTER THE REPORTING DATE

The Management of the Company does not have any information about significant events that took place between the reporting date and the date of issuance of financial statements that require adjustments or disclosure.

The CEO

L.A. Zharkov

AUDIT CHAMBER OF UKRAINE
audit self-government body

vul. Velyka Zhytomyrska, 33, Kyiv City, 01601
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Tel./fax (044) 279-59-78, 279-59-80
E-mail: info@apu.com.ua
<http://www.apu.com.ua>
Code EDRPOU 00049972

25.01.2021 № 01-03-4/6

on №277 from 21.01.2021

TO:
“LIMITED LIABILITY COMPANY
«AUDIT FIRM «IMONA-AUDIT»
vul. Pyrohova, 2/37, Kyiv City, 01030

INFORMATION REFERENCE

LIMITED LIABILITY COMPANY «AUDIT FIRM «IMONA-AUDIT» (code EDRPOU 23500277) is included in the Registry of Auditors and Auditing Entities (Registration number 0791, Registration Date 24.10.2018), which is maintained by the Audit Chamber of Ukraine in accordance with the requirements of the Law of Ukraine "On the audit of financial statements and auditing activities" from 21.12.2017 № 2258-VIII (with amendments).

Information on LIMITED LIABILITY COMPANY «AUDIT FIRM «IMONA-AUDIT» is included in the following sections of the Register of auditors and subjects of auditing activities:

“Auditing entities”;

“Auditing entities entitled to conduct a mandatory audit of financial statements.”

“Auditing entities entitled to conduct a mandatory audit of financial statements, which are of public interest”.

Registry of auditors and auditing entities is public, is being regularly published and maintained on the website of Audit Chamber of Ukraine, see the link: <https://www.apu.com.ua/2018/10/01/реєстр-аудиторів-та-субєктів-аудитор/>.

Information Reference is issued per request

Authorized person of the ACU –

Head of the Registration and Reporting Department

Tereshchenko S.M.

[signature]

[print of a seal]

Audit Chamber of Ukraine

Identification Code 00049972

Decision of APU
As of 25.01.2018 #354/3

APU

Certificate of Registration at
the Registry of Audit firms
and Auditors

#0791

Audit Chamber of Ukraine
Certificate
Of Conformity with Quality Control System

Issued To

LIMITED LIABILITY COMPANY «AUDIT FIRM «IMONA-AUDIT»

Kyiv, EDRPOU Code 23500277

that auditing entity went through the external review of the quality control system of auditing services established in accordance with the audit standards, professional ethics standards and legal and regulatory requirements which regulate auditing activity

Head
Of the Audit Chamber of
Ukraine

Signature

Kamenska T.O.

Head of Audit Chamber of
Ukraine Committee on
quality control and
professional ethics

Signature

Rafalska K.L.

0751
valid until 31.12.2023

[print of a seal]

Audit Chamber of Ukraine

Identification Code 00049972

AUDIT CHAMBER OF UKRAINE
audit self-government body

vul. Velyka Zhytomyrska, 33, Kyiv City, 01601
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Code EDRPOU 00049972

25.01.2021 № 01-03-4/14

on №278 from 22.01.2021

TO:
Auditor
Maleta Y.Y.

INFORMATION REFERENCE

The Secretariat of the Audit Chamber of Ukraine per your request informs you about the following.

The data about the auditor Maleta Yuriy Yuriyovych is included in the Section "Auditors" of the Registry of Auditors and Auditing Entities, which is maintained by the Audit Chamber of Ukraine in accordance with the requirements of the Law of Ukraine "On the audit of financial statements and auditing activities" from 21.12.2017 № 2258-VIII (with amendments).

Registration Number 101732, Registration Date 22.10.2018.

Registry of auditors and auditing entities is public, is being regularly published and maintained on the website of Audit Chamber of Ukraine, see the link: <https://www.apu.com.ua/2018/10/01/реєстр-аудиторів-та-субєктів-аудитор/> .

Information Reference is issued per request.

Authorized person of the ACU –

Head of the Registration and Reporting Department

Tereshchenko S.M.

[signature]

[print of a seal]

Audit Chamber of Ukraine
Identification Code 00049972

AUDIT CHAMBER OF UKRAINE
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Code EDRPOU 00049972

25.01.2021 № 01-03-4/11
on №278 from 22.01.2021

TO:
Auditor
Golub Z.G.

INFORMATION REFERENCE

The Secretariat of the Audit Chamber of Ukraine per your request informs you about the following.

The data about the auditor Golub Zhanna Grygorivna is included in the Section "Auditors" of the Registry of Auditors and Auditing Entities, which is maintained by the Audit Chamber of Ukraine in accordance with the requirements of the Law of Ukraine "On the audit of financial statements and auditing activities" from 21.12.2017 № 2258-VIII (with amendments).

Registration Number 100083, Registration Date 08.10.2018.

Registry of auditors and auditing entities is public, is being regularly published and maintained on the website of Audit Chamber of Ukraine, see the link: <https://www.apu.com.ua/2018/10/01/реєстр-аудиторів-та-суб'єктів-аудитор/>.

Information Reference is issued per request.

Authorized person of the ACU –

Head of the Registration and Reporting Department

Tereshchenko S.M.

[signature]

[print of a seal]

Audit Chamber of Ukraine
Identification Code 00049972

AUDIT CHAMBER OF UKRAINE
audit self-government body

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<http://www.apu.com.ua>
Code EDRPOU 00049972

25.01.2021 № 01-03-4/7

on №278 from 22.01.2021

TO:
Auditor
Velychko O.V.

INFORMATION REFERENCE

The Secretariat of the Audit Chamber of Ukraine per your request informs you about the following.

The data about the auditor Velychko Olga Volodymyrivna is included in the Section "Auditors" of the Registry of Auditors and Auditing Entities, which is maintained by the Audit Chamber of Ukraine in accordance with the requirements of the Law of Ukraine "On the audit of financial statements and auditing activities" from 21.12.2017 № 2258-VIII (with amendments).

Registration Number 100092, Registration Date 08.10.2018.

Registry of auditors and auditing entities is public, is being regularly published and maintained on the website of Audit Chamber of Ukraine, see the link: <https://www.apu.com.ua/2018/10/01/реєстр-аудиторів-та-суб'єктів-аудитор/>.

Information Reference is issued per request.

Authorized person of the ACU --

Head of the Registration and Reporting Department

Tereshchenko S.M.

[signature]

[print of a seal]

Audit Chamber of Ukraine

Identification Code 00049972

