

STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)
Financial statements for the year ended 31 December 2022, thousands of UAH

STATE INSTITUTION "ENERGY EFFICIENCY FUND"

(EDRPOU code 42325431; 24 Dilova Str., Kyiv, 03150)

Notes to the Financial Statements

for the year ended 31 December 2022

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INDEPENDENT AUDITOR'S REPORT

To the Supervisory Board and Board of Directors
State institution "Energy efficiency Fund"

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SI "Energy efficiency Fund" (hereinafter referred to as the "Fund"), which comprise the Balance Sheet (Statement of Financial Position) as at 31 December 2022, Income Statement (Statement of Profit or Loss and Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows (using the direct method) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2022, and the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the legislation regarding the preparation of financial statements.

Basis for opinion

We conducted our audit in accordance with the requirements of the Law of Ukraine "On Audit of Financial Statements and Auditing" and International Standards on Auditing (ISAs) of the International Federation of Accountants (IFAC). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and ethical requirements applicable in Ukraine to our audit of the financial statements, and perform other duties of ethics in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – effect of martial law, economic and political instability

We draw attention to Note 2.4 "Fund's going concern" to these financial statements, which states that as a result of the uncertainty and continuation of events related to the military invasion of the Russian Federation in Ukraine, as well as economic crisis in Ukraine and worldwide, which may negatively affect the operating activity of the Fund as a whole. The Fund does not have a practical opportunity to accurately and reliably assess the quantitative impact of the abovementioned events on the financial position and financial performance.

Our opinion is not modified in respect of this matter.

Other matter

The audit of the Fund's financial statements for the year ended 31 December 2021 was conducted by another auditor, who expressed an unmodified opinion on these financial statements on 10 April 2022.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Legal and regulatory acts of Ukraine set additional requirements for information related to the audit or review of the financial statements and must be obligatory included in the auditor's report on the results of the statutory audit. Responsibility for such reporting is additional to that of the auditor established by ISA requirements.

Basic Information About the Auditor and Audit Engagement Performance Circumstances

In accordance with the requirements of Article 14 of the Law of Ukraine "On Audit of Financial Statements and Auditing", we provide basic information about the audit entity that conducted the audit and circumstances of the performance of this audit engagement:

Basic Information About the Audit Entity

Full name	"Crowe Erfolg Ukraine", Limited Liability Company
Identification code of a legal entity	36694398
Address	8, Redutna Str., Kyiv, 01015, Ukraine
Information about inclusion in the Register	The registration number in the Register of Auditors and Audit Entities No. 4316
Website	www.crowe.com/ua/croweaa

The Appointment of the Auditor and Total Duration of the Auditor's Engagement

The decision on appointment us as an auditor of the financial was made on 20 October 2022 by the Supervisory Board.

The total duration of the audit of the Fund's financial statements without interruption, considering prolongation of the engagement, that occurred, and re-appointments is 1 year.

The audit was conducted on the basis of the agreement on audit services provision № 53 dated 09 November 2022. Services were provided in the period from 09.11.2022 to 10.04.2023.

Confirmation and Assurance Regarding the Performance of the Audit Engagement

We confirm that this independent auditor's report is consistent with the Additional report for the Supervisory Board that we provide as a result of our audit.

We did not provide services to the Fund that are prohibited by legislation.

We did not provide the Fund or its controlled entities with any other services than audit services defined by article 6 of the Law of Ukraine "On the Audit of Financial Statements and Auditing".

"Crowe Erfolg Ukraine", Limited Liability Company, its owners, officers, key audit partner and other employees are independent of the Fund, did not participate in the preparation and management decisions of the Fund during the period covered by the audited financial statements and in the period of audit services provision for such financial statements.



Key audit partner on the audit resulting in this independent auditor's report is Tetyana Byvala (registration number in the Register of Auditors and Audit Entities: 101107).

On behalf of "Crowe Erfolg Ukraine", LLC

Head of International Audit _____ Artem Vorobiienko
(registration number in the Register of auditors and audit entities: 100265).

Key Audit Partner _____ Tetyana Byvala

10 April 2023

STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements of the State Institution "Energy Efficiency Fund" (hereinafter — the Fund) are general purpose financial statements which have been prepared for the purpose of presenting fairly the Fund's financial position, financial performance and cash flows in order to meet the requirements of a wide range of users in making economic decisions.

The conceptual basis of these financial statements are accounting policies and principles based on the requirements of International Financial Reporting Standards (hereinafter — IFRS), International Accounting Standards (IAS) and Interpretations (IFRIC, SIC), as issued by the International Accounting Standards Board (IASB) in the edition effective as at 01 January 2022 and are officially published on the website of the Ministry of Finance of Ukraine.

In preparing the financial statements, the Fund was also guided by the requirements of national legislative and regulatory acts on the organization and maintenance of the accounting and preparation of the financial statements in Ukraine, to the extent they do not contradict with the IFRS requirements.

The financial statements prepared by the Fund clearly and without any reservations meet all the requirements of the current IFRS, taking into account the amendments introduced by the IASB as at 01 January 2022, compliance with which ensures the reliable presentation of information in the financial statements, namely, relevant, reliable, comparable and understandable information.

These financial statements include:

- Form № 1 Balance Sheet (Statement of financial position);
- Form № 2 Income Statement (Statement of profit or loss and other comprehensive income);
- Form № 3 Statement of Cash Flows (using the direct method);
- Form № 4 Statement of Changes in Equity;
- Notes to the financial statements, in accordance with the requirements of IFRS.

These notes are an integral part of the financial statements and correspond to the financial position and activity of the Fund.

28 February 2023

Director

Chief Accountant



Yehor Farenjuk

Valentyna Kulinska

STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)
Financial statements for the year ended 31 December 2022, thousands of UAH

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

as at 31 December 2022

Annex 1
to the National Accounting Regulation (Standard)
1 "General Requirements for Financial Statements"

	Date (YYYY MM DD)	CODES		
		2022	12	31
Entity				
STATE INSTITUTION "ENERGY EFFICIENCY FUND"	EDRPOU	42325431		
Territory Kyiv, Pecherskyi district	KOATUU	8038200000		
Legal organizational business form	KOPFG	425		
State institution (agency, enterprise)				
Type of economic activity Other activities auxiliary to financial services, except insurance and pension funding	KVED	66.19		
Average number of employees ¹ 63				

Address: 24 Dilova Street, Kyiv, 03150, phone: 044 222-95-90

Unit of measurement: thousands of hryvnias without decimals (apart from section IV of Income Statement (Statement of profit or loss and other comprehensive income) (Form No. 2), which is presented in hryvnias and kopeks)

Prepared in accordance with (put "v" where appropriate):

National Accounting Regulations (Standards)

International Financial Reporting Standards

v

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

as at 31 December 2022

		Form No. 1	DKUD Code	1801001
Assets	Line code	At the beginning of the reporting period	At the end of the reporting period	Note
1	2	3	4	5
I. Non-current assets				
Intangible assets	1000	2 365	2 670	5.1
historical cost	1001	2 494	3 120	
accumulated amortization	1002	(129)	(450)	
Construction in progress	1005	-	-	
Property, plant and equipment	1010	2 442	2 939	5.2
historical cost	1011	3 387	4 503	
depreciation	1012	(945)	(1 564)	
Investment property	1015	-	-	
Non-current biological assets	1020	-	-	
Non-current financial investments: accounted for using the equity method	1030	-	-	
other financial investments	1035	-	-	
Non-current receivables	1040	-	-	
Deferred tax assets	1045	-	-	
Other non-current assets	1090	-	-	
Total Section I	1095	4 807	5 609	
II. Current assets				
Inventories	1100	192	259	5.3
Current biological assets	1110	-	-	
Accounts receivable for goods, works and services	1125	-	-	
Accounts receivable related to: advances made	1130	584	552	5.4
budget settlements	1135	8	87	
including income tax	1136	-	-	
Accounts receivable on accrued income settlements	1140	26	-	5.5
Other current accounts receivable	1155	14 293	91 943	5.6

STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)
Financial statements for the year ended 31 December 2022, thousands of UAH

INCOME STATEMENT (Statement of Profit or Loss and Other Comprehensive Income)
for the year ended 31 December 2022

Entity **STATE INSTITUTION "ENERGY EFFICIENCY FUND"**

Date (YYYY MM DD) **2022 12 31**
EDRPOU

CODES		
2022	12	31
42325431		

INCOME STATEMENT (Statement of Profit or Loss and Other Comprehensive Income)
for 2022

Form No. 2

DKUD Code

1801003

I. Financial performance

Item	Line code	For the reporting period	For the same period of the previous year	Notes
1	2	3	4	5
Net sales revenue	2000	-	-	
Cost of sales	2050	-	-	
Gross:				
profit	2090	-	-	
loss	2095	-	-	
Other operating income	2120	557 481	23 909	5.15
Administrative expenses	2130	(46 421)	(50 075)	5.16
Distribution expenses	2150	(96)	(764)	5.17
Other operating expenses	2180	(626 718)	(1 166 526)	5.18
Operating results:				
profit	2190	-	-	
loss	2195	(115 754)	(1 193 456)	
Equity income	2200	-	-	
Other finance income	2220	-	-	
Other income	2240	258	200	5.19
Finance costs	2250	(181 117)	(107 606)	5.20
Equity loss	2255	-	-	
Other expenses	2270	(13)	(7)	
Financial result before taxation:				
profit	2290	-	-	
loss	2295	(296 626)	(1 300 869)	
Income tax expense (benefit)	2300	-	-	
Profit (loss) on discontinued operations after taxation	2305	-	-	
Net financial result:				
profit	2350	-	-	
loss	2355	(296 626)	(1 300 869)	

II. Comprehensive income

Item	Line code	For the reporting period	For the same period of the previous year	Notes
1	2	3	4	5
Revaluation surplus (decrease) of non-current assets	2400	-	-	
Revaluation surplus (decrease) of financial instruments	2405	-	-	
Accumulated foreign currency translation differences	2410	-	-	
Share of other comprehensive income of associates and joint ventures	2415	-	-	
Other comprehensive income	2445	-	-	
Other comprehensive income before taxation	2450	-	-	
Income tax related to other comprehensive income	2455	-	-	
Other comprehensive income after taxation	2460	-	-	
Comprehensive income (total of lines 2350, 2355, and 2460)	2465	(296 626)	(1 300 869)	

STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)
Financial statements for the year ended 31 December 2022, thousands of UAH

III. Elements of operating expenses

Item	Line code	For the reporting period	For the same period of the previous year	Notes
1	2	3	4	5
Materials	2500	321	485	5.21
Employee benefits	2505	34 303	35 253	5.22
Social security charges	2510	7 418	7 410	5.23
Depreciation and amortization	2515	1 004	680	5.24
Other operating expenses	2520	630 188	1 173 537	5.25
Total	2550	673 234	1 217 365	

IV. EARNINGS PER SHARE

Item	Line code	For the reporting period	For the same period of the previous year	Notes
1	2	3	4	5
Weighted-average annual number of ordinary shares	2600	-	-	
Adjusted weighted-average annual number of ordinary shares	2605	-	-	
Net earnings (loss) per ordinary share	2610	-	-	
Diluted net earnings (loss) per ordinary share	2615	-	-	
Dividend per ordinary share	2650	-	-	

28 February 2023

Director

Yehor Farenjuk

Chief Accountant

Valentyna Kulinska

STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)
Financial statements for the year ended 31 December 2022, thousands of UAH

III. Elements of operating expenses

Item	Line code	For the reporting period	For the same period of the previous year	Notes
1	2	3	4	5
Materials	2500	321	485	5.21
Employee benefits	2505	34 303	35 253	5.22
Social security charges	2510	7 418	7 410	5.23
Depreciation and amortization	2515	1 004	680	5.24
Other operating expenses	2520	630 188	1 173 537	5.25
Total	2550	673 234	1 217 365	

IV. EARNINGS PER SHARE

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1	2	3	4	5
Weighted-average annual number of ordinary shares	2600	-	-	
Adjusted weighted-average annual number of ordinary shares	2605	-	-	
Net earnings (loss) per ordinary share	2610	-	-	
Diluted net earnings (loss) per ordinary share	2615	-	-	
Dividend per ordinary share	2650	-	-	

28 February 2023

Director

Yehor Fareniuk

Chief Accountant

Valentyna Kulinska



STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)
 Financial statements for the year ended 31 December 2022, thousands of UAH

Other payments	3390	-	-	
Net cash flows from financing activities	3395	-	100 000	
Net cash flows for the reporting period	3400	(161 029)	(30 836)	
Cash and cash equivalents at the beginning of the year	3405	2 634 764	2 665 600	
Effect of exchange rate changes on cash and cash equivalents balance	3410	-	-	
Cash and cash equivalents at the end of the year	3415	2 473 735	2 634 764	

28 February 2023

Director

Yehor Fareniuk

Chief Accountant

Valentyna Kulinska



STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)
Financial statements for the year ended 31 December 2022, thousands of UAH

Other payments	3390	-	-	
Net cash flows from financing activities	3395	-	100 000	
Net cash flows for the reporting period	3400	(161 029)	(30 836)	
Cash and cash equivalents at the beginning of the year	3405	2 634 764	2 665 600	
Effect of exchange rate changes on cash and cash equivalents balance	3410	-	-	
Cash and cash equivalents at the end of the year	3415	2 473 735	2 634 764	

28 February 2023

Director

Yehor Fareniuk

Chief Accountant

Valentyna Kulinska

STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)
Financial statements for the year ended 31 December 2022, thousands of UAH

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

Entity **STATE INSTITUTION "ENERGY EFFICIENCY FUND"**

Date (YYYY MM DD)
EDRPOU

CODES		
2022	12	31
42325431		

**Statement of Changes in Equity
for 2022**

Form No. 4

DKUD Code

1801005

Item	Line code	Registered (share) capital	Capital in revaluation surplus	Additional paid-in capital	Reserve capital	Retained earnings (accumulated loss)	Unpaid capital	Withdrawn capital	Total	Notes
1	2	3	4	5	6	7	8	9	10	11
Balance at the beginning of the year	4000	2 819 329	-	-	-	(1 761 101)	-	-	1 058 228	
Adjustments:										
Change in accounting policy	4005	-	-	-	-	-	-	-	-	
Correction of errors	4010	-	-	-	-	-	-	-	-	
Other changes	4090	-	-	-	-	-	-	-	-	
Restated balance at the beginning of the year	4095	2 819 329	-	-	-	(1 761 101)	-	-	1 058 228	
Net profit (loss) for the reporting period	4100	-	-	-	-	(296 626)	-	-	(296 626)	
Other comprehensive income for the reporting period	4110	-	-	-	-	-	-	-	-	
Distribution of profit:										
Payments to shareholders (dividends)	4200	-	-	-	-	-	-	-	-	
Reinvestment in share capital	4205	-	-	-	-	-	-	-	-	
Allocations to reserve capital	4210	-	-	-	-	-	-	-	-	
Participants' contributions:										
Contributions to share capital	4240	-	-	-	-	-	-	-	-	
Repayment of capital obligations	4245	-	-	-	-	-	-	-	-	
Capital distribution:										
Treasury shares (participatory interest) purchased	4260	-	-	-	-	-	-	-	-	
Treasury shares (participatory interest) sold	4265	-	-	-	-	-	-	-	-	
Annulment of purchased treasury shares (participatory interest)	4270	-	-	-	-	-	-	-	-	
Withdrawn capital	4275	-	-	-	-	-	-	-	-	
Other changes in equity	4290	-	-	-	-	-	-	-	-	
Total changes in equity	4295	-	-	-	-	(296 626)	-	-	(296 626)	
Balance at the end of the year	4300	2 819 329	-	-	-	(2 057 727)	-	-	761 602	

STATE INSTITUTION "ENERGY EFFICIENCY FUND" (EDRPOU code: 42325431)
Financial statements for the year ended 31 December 2022, thousands of UAH

Entity **STATE INSTITUTION "ENERGY EFFICIENCY FUND"**

Date (YYYY MM DD) 2022 12 31
EDRPOU 42325431

CODES		
2022	12	31
42325431		

**Statement of Changes in Equity
for 2021**

Form No. 4

DKUD Code

1801005

Item	Line code	Registered (share) capital	Capital in revaluation surplus	Additional paid-in capital	Reserve capital	Retained earnings (accumulated loss)	Unpaid capital	Withdrawn capital	Total	Notes
1	2	3	4	5	6	7	8	9	10	11
Balance at the beginning of the year	4000	2 719 329	-	-	-	(460 232)	-	-	2 259 097	
Adjustments:										
Change in accounting policy	4005	-	-	-	-	-	-	-	-	
Correction of errors	4010	-	-	-	-	-	-	-	-	
Other changes	4090	-	-	-	-	-	-	-	-	
Restated balance at the beginning of the year	4095	2 719 329	-	-	-	(460 232)	-	-	2 259 097	
Net profit (loss) for the reporting period	4100	-	-	-	-	(1 300 869)	-	-	(1 300 869)	
Other comprehensive income for the reporting period	4110	-	-	-	-	-	-	-	-	
Distribution of profit:										
Payments to shareholders (dividends)	4200	-	-	-	-	-	-	-	-	
Reinvestment in share capital	4205	-	-	-	-	-	-	-	-	
Allocations to reserve capital	4210	-	-	-	-	-	-	-	-	
Participants' contributions:										
Contributions to share capital	4240	100 000	-	-	-	-	-	-	100 000	
Repayment of capital obligations	4245	-	-	-	-	-	-	-	-	
Capital distribution:										
Treasury shares (participatory interest) purchased	4260	-	-	-	-	-	-	-	-	
Treasury shares (participatory interest) sold	4265	-	-	-	-	-	-	-	-	
Annulment of purchased treasury shares (participatory interest)	4270	-	-	-	-	-	-	-	-	
Withdrawn capital	4275	-	-	-	-	-	-	-	-	
Other changes in equity	4290	-	-	-	-	-	-	-	-	
Total changes in equity	4295	100 000	-	-	-	(1 300 869)	-	-	(1 200 869)	
Balance at the end of the year	4300	2 819 329	-	-	-	(1 761 101)	-	-	1 058 228	

28 February 2023

Director

Yehor Farenjuk

Chief Accountant

Valentyna Kulinska



NOTES TO THE FINANCIAL STATEMENTS

1. General information

The State Institution "Energy Efficiency Fund" (hereinafter - the Fund) was incorporated by Resolution of the Cabinet of Ministers of Ukraine No. 1099 dated 20 December 2017 in accordance with the Law of Ukraine "On Energy Efficiency Fund" No. 2095-VIII dated 08 June 2017.

Fund full and abbreviated name:

in Ukrainian:

full - Державна установа "Фонд енергоефективності",
abbreviated - ДУ "Фонд енергоефективності";

in English:

full - State Institution "Energy efficiency Fund",
abbreviated - SI "Energy efficiency Fund".

Fund legal and actual address:

Legal address: 24 Dilova Street, Kyiv, 03150, Ukraine.

Actual address: 24 Dilova Street, Kyiv, 03150, Ukraine.

Contact phone: (044) 222-95-90

e-mail address: info@eefund.org.ua

website: <https://eefund.org.ua/>

Purpose, principles and activities of the Fund

The Fund is established to support the initiatives on energy efficiency, implement tools for stimulation and support of implementation of energy efficiency of buildings and energy saving measures, particularly, in residential sector taking into consideration the national plan on energy efficiency, on reduction of carbon dioxide emissions for the purpose of implementation of the Paris Agreement, implementation of acquis communautaire of the European Union and the Energy Community Treaty and to ensure compliance of Ukraine with its international obligations and commitments in the energy efficiency area.

The Fund is a state institution, a legal entity of public law.

EDRPOU code: 42325431.

The Fund is an institution that does not intend to make a profit and is registered with the Main Department of the State Tax Service of Ukraine in Kyiv as a non-profit organization by the Decision on inclusion of a non-profit organization in the Register No. 1826554600325 dated 06 August 2018, with the status of non-profit: 0031 budgetary institution. Date of the non-profitability attribute assignment: 24 July 2018.

The Fund's registered paid-up share capital is UAH 2 819 329 220 (two billion eight hundred nineteen million three hundred twenty-nine thousand two hundred twenty) hryvnias. According to the Charter, the Fund's founder is the State represented by the Cabinet of Ministers of Ukraine.

The State's share in the Fund's share capital is 100%.

As at 31 December 2022 and 31 December 2021, the number of employees of the Fund was 55 and 64 employees, respectively.

As at 31 December 2022, the official exchange rate of the hryvnia to the US dollar is UAH 36.5686.

The Fund uses an automated accounting system. The accounting department is headed by the Chief Accountant.

Fund governing bodies are the following:

Supervisory Board, which is the Fund's highest governing body;

Board of Directors, which is the Fund's executive body that exercises current management of its activities.

Fund control bodies

The Fund establishes the permanent Internal Audit department as a component of the internal control system.

The Internal Audit department is subordinated and reportable to the Supervisory Board and functions on the basis of the regulation approved by the Supervisory Board.

2. Basis of preparation of the financial statements

2.1. Statement of compliance with International Financial Reporting Standards

The Fund's annual financial statements are compiled in accordance with International Financial Reporting Standards. The term 'International Financial Reporting Standards' refers to standards and interpretations approved by the International Accounting Standards Board (IASB):

- International Financial Reporting Standards (IFRS);
- International Accounting Standards (IAS);
- Interpretations developed by the Committee on International Financial Reporting Interpretations (IFRIC) or Standing Interpretation Committee (SIC).

According to paragraph 5 of Article 12 of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" entities who prepare IFRS financial statements prepare and submit financial statements based on the Taxonomy of financial statements under international standards in a single electronic format (iXBRL).

The Fund, as a reporting entity, is registered on the Portal of the Financial Reporting Collection Center "Financial Reporting System" and submits financial statements based on the IFRS UA XBRL Taxonomy.

On 09 February 2022, the Financial Reporting System Management Committee approved changes to the UA IFRS XBRL Taxonomy for 2021 for further use by reporting entities when preparing financial statements in electronic format for 2021. However, as at the date of issue of these financial statements, taxonomy forms for the year ended 31 December 2022 have not yet been published. The Fund's management plans to prepare a reporting package in iXBRL format and submit it as soon as the relevant forms become available.

2.2. Functional and presentation currency, the level of rounding

The functional currency of these financial statements is the national currency of Ukraine, the hryvnia.

The financial statements are presented in thousands of Ukrainian hryvnias and all amounts are rounded to the nearest thousand Ukrainian hryvnias.

2.3. Financial statement reporting period

The financial statements have been prepared as at 31 December 2022 and for the reporting period - calendar year: from 01 January 2022 to 31 December 2022.

The financial statements for 2022 were approved on 28 February 2023.

2.4. Fund's going concern

On 24 February 2022, the Russian Federation has launched a full-scale invasion of Ukraine. Russian regular troops attacked the borders in the regions bordering the Russian Federation, Republic Of Belarus and in the vicinity of the terrorist groups "DPR" and "LPR". In return, martial law was imposed from 5:30 am on 24 February 2022 throughout the territory controlled by Ukraine. The Ukrainian President Volodymyr Zelensky has announced about imposing martial law in Ukraine for a period of 30 days on the basis of the decision of the Council of National Defense and Security of Ukraine and is in accordance with article 106, paragraph 20 of the Constitution of Ukraine and with the Law of Ukraine "On the Legal Regime of Martial Law". People's deputies approved the Presidential Decree "On the imposition of martial law in Ukraine" No. 64/2022 dated 24 February 2022 by 300 votes. The Verkhovna Rada of Ukraine approved similar decisions: on 24 February, 15 March, 21 April, 15 August and 16 November 2022. The last time the Verkhovna Rada voted for the Law on the approval of the Presidential Decree "On the extension of martial law in Ukraine" for 90 days, starting from 19 February 2023. Martial law and mobilization have been extended until 20 May 2023.

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Due to the uncertainty and continuation of the events related to the military invasion of the Russian Federation in Ukraine, the Fund does not have a practical opportunity to accurately and reliably assess the quantitative impact of these events on the financial position and financial performance.

Recognizing that there may be events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern:

- Beneficiaries' ability to implement their Projects during martial law;
- the Fund's ability to timely repay tranches of Grants to such Beneficiaries;
- IFC's ability to timely reimburse the Fund's share of Grants

the Management has taken a number of measures to assess such events and/or conditions:

- conducting a survey of the Beneficiaries regarding the plans, prospects and terms of implementation of the Projects.

The result of such survey was an increase in the Beneficiaries' submission of applications for the next stages of the Project implementation, which indicates the intention, even under martial law conditions, to introduce measures for the energy modernization of their buildings by the Beneficiaries. Changes were also made to the EnergoDim Program, which allows the Beneficiaries, if necessary, to extend the terms of implementation of the Projects for the entire period of martial law;

- making amendments to the Resolution of the CMU No. 590 dated 09 June 2021 "On Approval of the Procedure for the Execution of Powers by the State Treasury Service in a Special Regime Under Martial Law Conditions", which allowed the Fund to increase payments to the Beneficiaries, which in turn affected the efficiency of their implementation of Projects and confidence in timely receipt of Grants;
- making amendments to the Reimbursement Agreement dated 02 December 2021, which was concluded between the Fund and IFC, regarding the increase in the share of reimbursement of Grants up to 100% retroactively since March 2022 to May 2023.

Since November 2022, the VidnovyDim Fund program came into effect, according to which the Fund provides financing for associations of co-owners of multi-apartment buildings (hereinafter - housing cooperative), whose houses were damaged as a result of Russian aggression and military actions. The program is designed for two stages - a pilot project financed 100% by IFC in the amount of EUR 5 million, and the next one - with IFC financing of EUR 20 million. An appropriate contract for reimbursement of Grants has been concluded with IFC.

The Supervisory Board has approved the Fund's three-scenario plan for 2023, developed on the basis of the Fund's Strategy for 2020-2025. Also, the budget and cost estimates for 2023 have been approved by the Supervisory Board. A forecast CF has been prepared under three possible scenarios until 01 July 2024, which allows to be confident about the sufficiency of funds and capital for the Fund to carry out its statutory activities.

Currently, the Fund is closely monitoring the financial consequences caused by the abovementioned events. Considering the specifics of the Fund's activities, this impact is not significant.

Considering the abovementioned factors, the Management believes that it has all factors to continue as a going concern in the near future. The going concern principle is appropriate for the preparation of these consolidated financial statements in the absence of significant uncertainties that are beyond the Fund's control and cast doubt on the ability to continue as a going concern.

2.5. Adoption of new and revised standards

The Fund did not apply in the reporting period certain new published standards and interpretations that are mandatory for annual periods beginning on or after 01 January 2023, but will apply from the beginning of their mandatory application.

It is expected that the following standards and interpretations after entry into force will not significantly affect the Fund's financial statements.

New IFRS and Interpretations issued as at 31 December 2022 but not yet effective

IAS 1 "Presentation of Financial Statements"

The effective date is 01 January 2023. Early application is permitted.

The amendments clarify the criterion in IAS 1 for classifying a liability as non-current: a requirement for an entity to have the right to defer repayment for at least 12 months after the reporting period.

The essence of the amendments:

- it is clarified that a liability is classified as non-current if an entity has the right to defer settlement of the liability for at least 12 months and a company's right to defer settlements must exist at the end of the reporting period;
- the classification depends only on the existence of such a right and does not depend on the probability that a company plans to exercise this right - the classification is not affected by the intentions or expectations of management as to whether the company exercises its right to defer settlements;
- clarification of the effect of lending terms on the classification - if the right to defer settlement of a liability depends on an entity's compliance with certain conditions, then this right exists at the end of the reporting period only if the entity meets those conditions at the end of the reporting period. The entity shall comply with these conditions by the end of the reporting period, even if the creditor verifies their compliance at a later date; and
- 'Settlement' is defined as the repayment of a liability with cash, other economic resources or an entity's own equity instruments that are classified as equity.

IAS 1 "Presentation of Financial Statements"

Practice Statement (IFRS PS) 2 'Making Materiality Judgments'.

The effective date is 01 January 2023. Early application is permitted.

The amendments include:

replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and adding guidance on how entities shall apply the concept of materiality in making decisions about accounting policy disclosures.

Information about an accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements. However, not all accounting policies that relate to material transactions, other events or conditions are (themselves) material to an entity's financial statements. Disclosure of immaterial accounting policy information may be acceptable, although it is not required.

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The effective date is 01 January 2023. Early application is permitted.

Before these amendments, IAS 8 included definitions of 'accounting policies' and 'change in accounting estimate'. The combination of a definition of one item (accounting policies) with a definition of changes in another item (change in accounting estimate) obscured the distinction between the two definitions.

To make that distinction clearer, the IFRS Board replaced the definition of a change in accounting estimate with a definition of accounting estimates.

The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

An entity develops an accounting estimate to achieve the objective set out by an accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest reliable information.

In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

IAS 12 "Income Taxes"

The effective date is 01 January 2023. Early application is permitted.

A transaction that is not a business combination may lead to the initial recognition of an asset and a liability and, at the time of the transaction, affect neither accounting profit nor taxable profit. For example, at the commencement date of a lease, a lessee typically recognizes a lease liability and the corresponding amount as part of the cost of a right-of-use asset. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of the asset and liability in such a transaction. The exemption provided by paragraphs 15 and 24 does not apply to such temporary differences and an entity recognizes any resulting deferred tax liability and asset.

An entity applying the amendment for the first time shall, at the beginning of the earliest comparative period presented:

(a) recognize a deferred tax asset—to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized;

and a deferred tax liability for all deductible and taxable temporary differences associated with:

(i) right-of-use assets and lease liabilities; and

(ii) decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset; and

(b) recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

IFRS 17 "Insurance Contracts"

The effective date is 01 January 2023. Early application is permitted.

- Some types of contracts excluded from the scope of IFRS 17.
- Simplified presentation of assets and liabilities relating to insurance contracts in the statement of financial position.
- Effect of accounting estimates made in previous interim financial statements.
- Recognition and allocation of insurance acquisition cash flows.
- Change in consideration of reinsurance recoveries in the income statement.
- Allocation of contractual service margin (CSM) attributable to investment services.
- Financial risk mitigation options for inward reinsurance contracts and non-derivative financial instruments.
- Deferral of the effective date of IFRS 17, and the fixed expiry date for the temporary exemption for insurers from applying IFRS 9 until 01 January 2023.
- Simplified accounting of liabilities for claims settlement of contracts acquired before the date of transition to IFRS 17.
- Easier application of techniques to mitigate financial risk.
- Option to determine whether an investment contract meets the definition of an investment contract with discretionary participation features using information available at the time of transition to the new standard rather than at the time of contract inception.

IFRS 16 "Leases"

The effective date is 01 January 2024. Early application is permitted.

If a sale-leaseback transaction is qualified as a sale transaction under IFRS 15 "Revenue from Contracts with Customers", the seller-lessee must subsequently measure its lease liability under the sale-leaseback transaction in order not to recognize a profit or loss related to the right-of-use that it retains. The amendments establish the following:

- A lease liability initially recognized by a seller-lessee in a sale-leaseback transaction includes variable lease payments that are independent of an index or rate, if they can be reasonably estimated. The difference between the variable lease payments actually made and the estimated variable lease payments recognized as part of the initial lease liability is recognized in profit or loss in the period in which they are incurred.
- If the lease is not part of a sale-leaseback transaction, the lease liability does not include such variable payments, which instead are recognized in profit or loss in the period in which the event or condition occurs causing such payments.

IAS 1 "Presentation of Financial Statements"

Practice Statement (IFRS PS) 2 'Making Materiality Judgments'.

The effective date is 01 January 2024. Early application is permitted.

The amendments updated the information provided by a company when its right to defer repayment of a liability for at least twelve months is contingent on compliance with covenants. The amendments also responded to stakeholder concerns regarding the classification of such a liability as current or non-current. According to the amendments, the classification of a liability as current or non-current is affected only by those covenants that the company must fulfill on or before the reporting date. Covenants that the company must comply with after the reporting date (i.e. future covenants) do not affect the classification of the liability at that date. However, if non-current liabilities should be settled in the future, companies will now have to disclose information that helps users understand the risk that these liabilities may be settled within 12 months after the reporting date. The amendments also clarify how a company classifies a liability that can be settled with its own shares, such as convertible debt. If the liability includes a counterparty's conversion option that provides the transfer of the company's own equity instruments, the conversion option is recognized either as equity or as a liability separately from the underlying liability in accordance with IFRS (IAS) 32 "Financial Instruments: Presentation". The IFRS Board clarified that when an entity classifies an underlying liability as current or non-current, it can ignore only those conversion options that are recognized as equity.

IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"

"Sale or Contribution of Assets between an Investor and its Associate or Joint Venture".

Effective date should be determined by the IASB. Early application is permitted.

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Fund's management expects that the entry into force of these standards and interpretations will not have a material impact on the financial statements. As at today, the Fund does not plan early adoption of the listed standards and interpretations.

2.5. Format and titles of financial statements

The Fund applies the form and composition of the financial statements items as defined in accordance with the National Accounting Regulation (Standard) 1 "General Requirements for Financial Statements", approved by the Order of the Ministry of Finance of Ukraine No. 73 dated 07 February 2013, registered with the Ministry of Justice of Ukraine under No. 336/22868 dated 28 February 2013 (hereinafter - NAR(S) 1).

The Fund applies the norms of the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) in the accounting for business transactions and events.

2.6. Methods of presenting information in financial statements

Under IAS 1 "Presentation of Financial Statements", the Income Statement provides the presentation of expenses recognized in profit or loss under classification based on the 'function of expense' method, according to which expenses are classified according to their functions as part of the cost of production or, for example, expenses for administrative or other operating activities. However, since information about the nature of expenses is useful for forecasting future cash flows, this information is given in Notes 5.21-5.25.

Cash flows from operating activities are presented in the Statement of cash flows using the direct method, according to which major classes of cash inflows or outflows are disclosed. Information on the main types of cash receipts and cash payments is formed on the basis of the Fund's accounting records.

2.7. Information on changes in accounting policies

The Fund selects and applies its accounting policies consistently for similar transactions, other events and conditions, unless an IFRS specifically requires or permits categorization of items for which different policies may be appropriate. The Fund did not apply changes in accounting policies in 2022 compared to the accounting policies that the Fund used to prepare the financial statements for the period ended 31 December 2021. At the end of 2021, changes were made to the co-financing agreement, according to which the model of financing the IFC's share was changed from co-financing grants to reimburse such a share for the Fund. At the end of 2022, the IFC reimbursement rate was retroactively increased from March 2022, and a new program of the Fund was also adopted. The accounting policies of the Fund was updated due to such changes, which did not affect the review and changes in the accounting policies adopted earlier.

3. Significant accounting judgments, estimates and assumptions

3.1. Estimates, judgments and assumptions

The preparation of financial statements in accordance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Management makes a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in accordance with IFRS. The estimates and underlying assumptions are based on factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The preliminary estimates and underlying assumptions are constantly reviewed for the need to be changed. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The Fund's assets and liabilities are initially measured upon acquisition or inception and subsequently measured at the balance sheet date for each reporting period in accordance with the requirements of International Financial Reporting Standards. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies is presented below.

3.1.1. Making judgments regarding transactions, events or conditions in the absence of specific IFRS guidance

In the absence of an IFRS that specifically applies to a transaction, other event or condition, the Fund's management uses its judgment in developing and applying an accounting policies that results in information that is reliable and relevant to the economic decision making needs of the user, in the sense that the financial statements:

- present fairly the Fund's financial position, financial performance and cash flows;
- reflect the economic substance of a transaction and not just its legal form;
- are neutral, i.e. free from bias;
- are complete in all material respects.

In exercising judgment, the Fund's management refers to the acceptability of the following sources, in descending order:

- the requirements in IFRS on similar and related issues; and
- the definitions, recognition criteria, and measurement concepts for assets, liabilities, income, and expenses in the Framework.

In exercising judgment, the Fund's management considers the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature, and accepted industry practices, to the extent that they do not conflict with the abovementioned sources.

3.1.2. Recognition of elements of financial statements

An asset is a resource controlled by the Fund as a result of past events and which are used to pay Grants under the terms of the Fund's programs and to support the Fund's operations.

Assets (non-current/current) and liabilities by maturity (non-current/current) are classified on initial recognition depending on the period of existence, use, and ownership of them by the Fund compared to a period of twelve months. An asset is classified as current if it is:

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- expected to be used within 12 months; or
- cash or cash equivalents, unless its exchange or use to settle an obligation is restricted within twelve months after the balance sheet date.

All other assets are classified as non-current.

When incurred, current receivables for goods, works and services are recognized as assets simultaneously with the recognition of revenue from sales of goods, works and services, and are measured at fair value as of the date of recognition. Currently, the Fund has no such receivables due to the absence of such economic transactions in its operating activities.

A liability is a present obligation of the Fund arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled within 12 months from the date of occurrence;
- it is expected to be settled within 12 months after the balance sheet date; or the Fund does not have an unconditional right to defer settlement of the liability until 12 months after the balance sheet date.

Liabilities that do not meet any of the above criteria are classified as non-current. The portion of non-current liabilities required to be paid within the coming 12 months are categorized as current liabilities. Non-current and current liabilities are divided into liabilities for goods, works and services and obligations to Beneficiaries on payment of Grants under the terms of the Fund programs, and other liabilities.

To determine the date of recognition or settlement of assets and liabilities, the Fund's contracts, program documents, and applicable laws are used.

Quantitative criteria and qualitative attributes of materiality of information on business transactions, events and items of the Fund's financial statements.

The materiality threshold is set:

- for assets, liabilities, and equity of the Fund at 0,001% of total assets, liabilities, and equity, respectively;
- for impairment of the items of property, plant and equipment at the deviation of the residual value from their fair value by 10%;
- for items of the financial statements at UAH 1000.

Unless required by IFRS, the Fund does not recognize assets, liabilities, income and expenses.

The Fund keeps unchanged the presentation and classification of items in financial statements from period to period. The Fund will reclassify comparative amounts when there are changes in the presentation or classification of items in the financial statements, otherwise disclose the case.

Equity is the residual share in assets of the Fund after deducting all its liabilities.

Income is an increase in economic benefits during the accounting period in the form of inflows (or increase) of assets or decrease of liabilities that result in increase in equity, other than those relating to contributions from equity participants.

Expenses are decrease in economic benefits during the accounting period in the form of outflows of assets or increase of liabilities that result in decrease in equity, other than those relating to distributions to owners (equity participants).

Income and expenses are recognized on an accrual basis.

The elements to be recognized in the financial statements are those that:

- meet the definition of an element;
- satisfy the criteria for recognition.

The criteria for recognition:

- it is probable that any future economic benefit associated with the item that meets the definition of an element will flow to or from the entity; and
- the item's cost or value can be measured with reliability.

All assets held by the Fund are controlled and are measured reliably. Assets and liabilities are measured so that the provisions created for them and the actions taken exclude the possibility of transferring existing financial risks to future reporting periods.

3.2. Judgments concerning property, plant and equipment and intangible assets

The Fund splits property, plant and equipment and intangible assets - both those received for its own funds and those received from project partners under memorandums and agreements on international technical assistance. Such property, plant and equipment and intangible assets are accounted for separately.

For all property, plant and equipment and intangible assets, the historical value (cost) accounting model is used.

3.3. Judgments concerning inventories

Inventories are assets held by the Fund for consumption in the process of meeting administrative (managerial) needs.

Inventories comprise:

- household materials (tangible assets necessary to ensure the Fund's activities, as well as for the repair and maintenance of other non-current assets);
- low-value and short-lived items – items used by the Fund for no more than one year (regardless of their value);
- low-value non-current tangible assets that are not put into operation.

Inventories are measured at the balance sheet date at the lower of: cost or net realizable value.

3.4. Judgments concerning lease costs

In 2020, the Fund entered into a contract for the lease of non-residential real estate (office premises). The term of the contract does not exceed twelve months from the commencement date of the lease, so the Fund in its accounting classifies such a lease as an operating (short-term) and does not recognize in the balance sheet (statement of financial position) a right-of-use asset. Lease costs are recognized in the Income statement as operating expenses on a monthly basis. The contract expired on 31 October 2021.

In 2021, the Fund entered into a lease agreement for non-residential premises with State Property Fund of Ukraine. The lease price is UAH 1.00 per year. The lease term is 4 years and 11 months.

3.5 Judgments concerning a reflection of provisions

The Fund creates provisions both in accordance with the requirements of current legislation – provision for unused vacation to employees, and in accordance with the terms of the Fund's programs - a provision for the payment of Grants to ultimate beneficiaries as part of its statutory activities.

Provision for unused vacation is created during the year on a monthly basis by dividing the double wage fund for the current month by the number of calendar days (minus holidays). At December 31 of each reporting year, a provision for unused vacation is reviewed and the results are reflected in the Balance sheet (Statement of financial position).

The provision for the payment of Grants may be current or non-current. Depending on the set deadline for the implementation of each stage of the project under the Fund's programs, the provisions created for the payment of Grants for the first and second stages of the Beneficiary's implementation of the project under the EnergoDim program are current. Provisions created under the third stage of the project implementation by the Beneficiary are non-current - with a term of 24 months from the date of the Beneficiary joining the program (notification of approval of the application for participation in the program). Non-current provisions are recognized at their amortized cost. The effective interest rate is set once for each individual Beneficiary, depending on the date the provision is recognized and the approximate term of repayment. The discount rate setting is prescribed in the Fund's accounting policies. In 2022, such rates range from 11.16% to 12.52% for each Beneficiary individually depending on the month of joining to the Fund program, as the weighted average rates for the previous fiscal year (at the rate of the month of joining to the Fund Program) in the national currency of the relevant maturity, calculated by the NBU and given in the statistical data "Financial markets statistics" available at the link <https://bank.gov.ua/statistic/sector-financial/data-sector->

financial#1ms in the section "clause 4.1.1.2. Interest rates on new loans to non-financial corporations by maturity".

3.6 Judgments concerning fair value

Cash is initially and subsequently measured at fair value equal to its nominal value.

The Fund's management believes that the above disclosures on fair value are sufficient and does not believe that there is any material information beyond the financial statements regarding fair value application, which can be useful for users of financial statements.

These financial statements have been prepared on a historical cost basis, measuring at fair value certain financial instruments in accordance with IFRS 9 "Financial Instruments", using valuation techniques for financial instruments permitted under IFRS 13 "Fair Value Measurement", and where the effect of the time value of money is material to the amount of provision that is expected to be required to settle the obligation. Such valuation techniques include using the current market value of a similar instrument, discounted cash flow analysis or other fair value measurement models. The estimated fair values of financial assets and liabilities are determined using available market information and appropriate valuation techniques and discount rates for appropriate financial instruments.

These financial statements have been prepared under the historical cost convention, except for non-current provisions measured at discounted value.

The Fund applies IFRS-compliant methods for determining fair value and amortized cost.

The Fund measures its current receivables and payables at the amount of the original invoice, contract, if the effect of discounting is immaterial.

The Fund's receivables and payables are measured initially at their nominal (contractual) value, and subsequently, based on the assumption that receivables and payables are current, the Fund assumes that their nominal value is fair value and is not amortized.

These financial statements have been prepared on the assumption that the Fund is an organization that is able to continue as a going concern in the near future.

4. Summary of significant accounting policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Fund that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply.

The accounting policy complies with all IFRSs effective at the end of the reporting period (Note 2.4.) for which the IFRS financial statements are prepared.

Accounting and preparation of financial statements is carried out in compliance with the principles of prudence, full disclosure, consistency, continuity, accrual and matching of revenues and expenses, prevalence of essence over form, and periodicity.

The accounting policy of the Fund is designed in accordance with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Before preparing the annual report, a full annual end of year stocktaking of the Fund's assets and liabilities recognized on the Balance sheet was carried out. The results of the stocktaking are reflected in the Fund's Balance sheet as at 31 December 2022.

4.1 Inventories

Initial recognition

Inventories are considered assets if it is probable that any future economic benefit will arise from their use associated with the implementation of a set of actions aimed at solving tasks that meet the Fund's statutory objectives, and they have a value that can be measured with reliability.

Inventories are recognized in the Balance sheet at historical cost, which comprises their purchase price or production cost.

Disposal value

When disposed of, inventories are measured using the first in, first out (FIFO) method.

Analytical accounting data for inventories are presented in a quantitative and summarized form.

Inventories received free of charge as an international technical assistance from project partners.

Such inventories are accounted for using the grant accounting model under IAS 20. Such inventories are considered a grant related to assets in the form of a nonmonetary asset and are accounted for using the income method, under which the grant is recognized in profit or loss over the project's life at the amount of the original cost of the inventories received.

The historical cost of such inventories is their fair value at date of receipt.

Such inventories are recognized on the Balance sheet using the "Targeted funding" account with analytical accounting by project's partners. Such inventories are expensed as a component of cost related to statutory activities using the identified cost method, with a corresponding recognition on the "Deferred income" account.

4.2 Property, plant and equipment

Initial recognition

Property, plant and equipment is considered an asset if its expected useful life (operation) is more than one year and if it is probable that the Fund will receive future economic benefits from its use associated with the implementation of a set of actions aimed at solving tasks that meet the Fund's statutory objectives, and it has a value that can be measured with reliability.

Initial measurement depending on the method of obtaining

Acquisition of property, plant and equipment at the expense of the Fund according to the target funding estimate

An item of property, plant and equipment is recognized in the Fund's Balance sheet at historical cost, plus any costs specified in IAS 16.

Property, plant and equipment granted free of charge in the form of technical assistance from partners for the project 'Support of the National Energy Efficiency Fund and of a climate-friendly reform agenda (S2I) in Ukraine' implementation are accounted for on a separate accounts.

Such property, plant and equipment are accounted for using the grant accounting model under IAS 20. Such property, plant and equipment are considered a grant related to assets in the form of a nonmonetary asset and are accounted for using the income approach, under which a grant is recognized in profit or loss over the project's life or the useful life and in the proportions in which depreciation is charged.

The historical cost of such an item is its fair value at date of receipt.

Such property, plant and equipment is recognized in the balance sheet using the "Targeted funding" account with analytical accounting by project's partners and subsequent gradual (periodic) attribution to "Deferred income" account in the proportions in which depreciation on those property, plant and equipment is charged.

The residual value and the useful life of property, plant and equipment are determined by the Committee in the act of commissioning.

Free use of property, plant and equipment under a contract (memorandum) on the provision of temporary free use of property as technical assistance from partners for the project 'Support of the National Energy Efficiency Fund and of a climate-friendly reform agenda (S2I) in Ukraine' implementation according to Article 107 of the Fund's Charter.

The accounting for such property, plant and equipment is in accordance with IFRS 16 "Leases".

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If the underlying asset is a low-value asset within the meaning of IFRS 16, the Fund recognizes the lease payments associated with such a lease as an expense on a straight-line basis over the lease term.

The historical cost of such an item of property, plant and equipment is its fair value at date of receipt, plus any other costs directly attributable to bringing the item to working condition for its intended use. Such property, plant and equipment are recognized in account 01 "Leased non-current assets".

Depreciation is not charged.

If such asset does not meet the abovementioned criteria, the historical cost of the item is its fair value at date of receipt and a "right-of-use asset" is recognized in the Fund's assets.

Such right-of-use asset is recognized in the Balance sheet using the "Targeted funding" account with analytical accounting by project's partners and subsequent gradual (periodic) attribution to "Deferred income" account in the proportions in which depreciation on those right-of-use asset is charged.

Gratuitous receipt is documented by an act of acceptance – transfer, and, together with the technical documentation, is transferred to the relevant departments.

Useful lives and residual values of property, plant and equipment are set out in Orders when the respective property, plant and equipment are put into operation or are ready for use.

Subsequent measurement

After initial recognition, property, plant and equipment (irrespective of the method of receipt) are carried at cost less any accumulated depreciation and any accumulated impairment losses.

At the end of each reporting year, the Fund assesses whether there is any indication that an item of property, plant and equipment may be impaired. The procedures for impairment testing and accounting for impairment losses are set forth in the "Impairment" section of the Accounting Policies.

Depreciation

Depreciation in accounting is calculated on a straight-line basis over the estimated useful life of the asset, which is indicated in the act of commissioning.

Depreciation of an asset ceases at the earlier of

- the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"; and
- the date that the asset is derecognized.

Derecognition

Property, plant and equipment or significant component thereof is removed from the Statement of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its continued use.

Also, the asset is derecognized under property, plant and equipment on reclassification to assets held for sale. Subsequently, such assets are accounted for in accordance with IFRS 5.

Any gain or loss arising from derecognition of the asset (calculated as the difference between the net proceeds from disposal of the asset and its carrying amount) is included in profit or loss statement for the year in which the asset is derecognized.

Subsequent expenses

Expenses related to current repairs and maintenance of property, plant and equipment, both owned and rented, in proper condition are recognized as expenses of the period in which they are incurred.

Accounting for computer equipment

When computer equipment is recognized on the Balance sheet, the unit of an item of property, plant and equipment is deemed to be that equipment itself with installed software needed for the operation of such equipment, which is documented in the act of commissioning of property, plant and equipment. The historical

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cost of such an item comprises the equipment cost and the software cost. Software that meets the criteria for recognition as an intangible asset is accounted for individually.

The useful life of property, plant and equipment is established considering the allowable useful lives of property, plant and equipment under tax law.

Groups of property, plant and equipment	Useful life
Machinery and equipment	2 - 5 years
Vehicles	5 - 7 years
Office equipment	4 - 8 years
Other property, plant and equipment	5 - 7 years

4.4 Intangible assets (IA)

IA recognition

Purchased or received intangible asset is recognized in the Balance sheet only if it is probable that any future economic benefit will arise from their use associated with the implementation of a set of actions aimed at solving tasks that meet the entity's statutory objectives, and it has a value that can be measured reliably.

Intangible assets received free of charge (software for computer equipment received in the form of technical assistance from project partners for the project 'Support of the National Energy Efficiency Fund and of a climate-friendly reform agenda (S2I) in Ukraine' implementation according to Article 107 of the Fund's Charter) are accounted for under IAS 20.

If the software is an integral part of the related hardware, computer software is treated as a property, plant and equipment.

IA initial measurement

The historical cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing it for its intended use.

The historical cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended.

IA useful life

The useful life of an intangible asset is established according to the documents of title when it appears on the balance sheet.

Where the term of the right to use an intangible asset is not determined in accordance with the document of title such a useful life may be determined by the Fund itself, but may not be less than two and more than 10 years.

An intangible asset with an indefinite useful life is not amortized. For such IA, the Fund verifies the reduction in the usefulness of the intangible asset with an indefinite useful life by comparing its recoverable amount with its carrying value each year.

The useful life of an intangible asset is reviewed at the end of the reporting period if the asset's useful life or conditions for future economic benefits are expected to change in the next period.

Subsequent measurement

After initial recognition, an intangible asset is carried at cost model less any accumulated amortization and any accumulated impairment losses.

Amortization

Intangible assets are amortized on a straight-line basis over their expected useful lives. Amortization begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Intangible assets are amortized until the value of the asset becomes equivalent to its residual value.

Residual value

For intangible assets, residual value is zero.

Subsequent expenses

Subsequent expenses associated with an intangible asset incurred after the initial recognition of an intangible asset are recognized by the Fund as expenses in the period in which they are incurred.

Derecognition

Intangible assets are written off from the Statement of financial position when no future economic benefits are expected from its continued use to flow to the Fund. Gains or losses arising from derecognition of the intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit or loss when the asset is disposed.

4.5 Financial instruments

Financial assets

Classification of financial assets

A financial asset is recognized at the moment when the Fund becomes a party to the contract in respect of this asset. A classification of financial assets is made on the basis of both:

- the entity's business model for managing financial assets; and
- the contractual cash flow characteristics of the financial asset.

At initial recognition of such assets, the Fund's finance office determines which of the following categories the financial asset belongs to:

- financial assets measured at amortized cost when both of the following conditions are met:
 - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- financial assets measured at fair value through profit or loss;
- financial assets measured at fair value through other comprehensive income.

Initial recognition and initial measurement

Accounts receivables and deposits are recognized on the date of their / occurrence / receipt. All other financial assets are initially recognized on the date of the transaction, as a result of which the Fund becomes a party to the relevant contract.

At initial recognition, a financial asset or a financial liability is measured 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.

When an entity uses settlement date accounting for an asset that is subsequently measured at cost or amortized cost, the asset is recognized initially at its fair value on the trade date.

Subsequent measurement

After initial recognition, depending on the chosen classification, a financial asset is measured:

- amortized cost; or
- fair value:
 - through profit or loss;
 - through other comprehensive income

Financial assets measured at amortized cost

The following elements are recognized in profit or loss:

- interest income calculated using the effective interest rate method;
- expected credit losses and recoveries of any amounts written off.

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Financial assets measured at fair value

Gains and losses arising from changes in fair value are recognized in other comprehensive income. The following elements are recognized in profit or loss:

- interest income calculated using the effective interest rate method;
- expected credit losses and recoveries of any amounts written off.

Impairment

For debt instruments at amortized cost or at fair value through other comprehensive income, the reduced usefulness requirements for the recognition and estimation of a provision for losses are applied.

At each reporting date, financial assets are assessed to determine whether their credit risk (risk of default) has changed since initial recognition.

The amount of expected credit losses is determined as:

- the difference between contractual cash flows and cash flows expected to be received (the amount of cash "shortfall");
- weighted by the degree of probability of possible results of loss;
- discounted using the original effective interest rate.

Expected credit losses on a financial asset are determined by creating an allowance for its impairment. If in a subsequent period the amount of a previously recognized impairment loss decreases, the impairment loss is reversed by reducing the allowance account accordingly.

Impairment losses (reversals of impairment losses) are included in finance costs (income) for the period in profit or loss as they arise.

Derecognition, write-off

A financial asset is derecognized only if:

- the contractual rights on cash flow of the financial asset terminate; or
- financial asset is transferred to other party.

A financial asset is transferred only if:

- the contractual rights on cash flow of the financial asset are transferred; or
- the Fund has retained the contractual rights to receive the cash flows from the financial asset, but has assumed a contractual obligation to pass those cash flows on to one or more recipients.

On derecognition of a financial asset, the difference between the carrying amount (as at the date of derecognition) and the recoverable amount is recognized in profit or loss in accordance with IFRS 9, paragraph 3.2.12.

Any previously recognized components of other comprehensive income related to the financial asset being disposed of are included in the financial result from its disposal by transferring these components to profit or loss.

When an asset transfer results in the creation of new financial assets or financial liabilities, such assets or liabilities are recognized separately and measured on initial recognition at fair value.

Financial liabilities

Classification of financial liabilities

The financial liabilities include:

- trade payables and other current liabilities;
- obligations to the Beneficiary on the results of implementation of energy efficiency measures for each individual stage of the project by reducing (using) the reserve (provision) that was previously created.

Initial measurement

On initial recognition, the financial liability is measured at fair value (transaction price).

Derecognition of financial liabilities

A financial liability is derecognized when, and only when, it is extinguished, i.e. when it is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

4.6 Leases

Fund as a lessee

Lease classification

The Fund recognizes, measures and presents leases in its financial statements in accordance with IFRS 16 "Leases".

At the commencement date of a contract, the Fund evaluates whether the contract is a lease or contains a lease. The lease term is defined together with both: periods covered by an option to extend the lease; and periods covered by an option to terminate the lease.

Initial recognition

On initial recognition a right-of-use asset and an associated lease liability is recognized (if the lease is at the expense of the Fund's own funds) or the "Targeted Funding" account (if at the expense of donors).

Determining the present value of the lease payments is calculated using the interest rate implicit in the lease agreement if it is available.

Otherwise, the weighted average lending rate in the national currency of the relevant maturity on the date of the lease agreement, calculated by the NBU and given in the statistical data "Financial markets statistics" available at the link <https://bank.gov.ua/statistic/sector-financial/data-sector-financial#1ms> in the section "clause 4.1.1.2 Interest rates on new loans to non-financial corporations by maturity".

Initial direct costs incurred in entering into a lease agreement are included in the value of the right-of-use asset.

Right-of-use asset subsequent measurement

The right-of-use asset upon recognition is carried at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any revaluation of the lease liability.

The requirements of IAS 36 "Impairment of Assets" are applied to impairment of right-of-use assets.

Subsequent measurement of lease liabilities

After initial recognition, the lease liability is increased by accrued interest, decreased by lease payments, and adjusted by the lease reassessment.

Interest on lease liabilities after the commencement date is recognized in profit or loss.

The Fund does not apply the abovementioned lease accounting treatment to short-term leases (12 months or less) and leases for which the underlying asset is of low value within the meaning of IFRS 16. In this case, the Fund recognizes the lease payments associated with such a lease as an expense on a straight-line basis over the lease term.

4.7 Provisions

Classification

The Fund recognizes the following types of provisions:

- for grant payments to the Beneficiaries of an energy efficiency project, with sub-accounts opened for each stage of the project. Analytical accounting of such reserves is carried out per Beneficiaries;
- for vacations to employees;
- other provisions satisfying the recognition criteria.

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Recognition

Provision is recognized in accounting and financial statements if the following criteria are met:

- The Fund has a current obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- the amount of the obligation can be measured reliably.

Provision measurement method

The most likely outcome is used according to paragraphs 36-52 of IAS 37. According to paragraph 36, the amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. This best estimate means the amount that the Fund would reasonably pay to settle the obligation at the end of the reporting period, provided that there is no proof that the estimated obligation may be significantly less or more than the calculated amount.

Provisioning costs are recorded as expenses for the period.

Where the effect of the time value of money is considered material, the relationship between the nominal amount and the present amount of a provision is more than 1%. When discounting is applied, the effect of unwinding the discount is recorded as an increase in the book value of the provision and the borrowing costs (finance costs) are recognized simultaneously.

Discount rate

At initial recognition of a provision that meets the conditions of the Accounting Policy, the weighted average rates for the previous fiscal year in the national currency of the relevant maturity, calculated by the NBU and given in the statistical data "Financial markets statistics" available at the link <https://bank.gov.ua/statistic/sector-financial/data-sector-financial#1ms> in the section "clause 4.1.1.2. Interest rates on new loans to non-financial corporations by maturity". It is determined that this rate is most consistent with the condition that the discount rate should be a rate that reflects current market assessments of the time value of money and the risks inherent in the obligation.

Subsequent measurement of provision

When preparing the financial statements, a provision is reviewed at the end of each reporting period and is adjusted to reflect the current best estimate. When discounting is applied, the book value of the provision increases in each period to reflect the passage of time. This increase is recognized as a borrowing cost.

Contingent assets and contingent liabilities are not recognized in the statement of financial position. The information is disclosed in the notes to the financial statements.

4.8 Impairment

At the end of each reporting year, the presence of any indicators of asset impairment is reviewed and, if any, the amount of the expected recovery of the asset value is determined. An asset is impaired if its carrying amount exceeds its recoverable amount.

The impairment loss is recognized as an expense in the Income statement.

At 31 December 2022, there is no evidence of impairment of the Fund's assets.

4.9 Expenses

The Fund recognizes expenses based on the matching principle provided for in the conceptual framework of IAS 1 "Presentation of Financial Statements", and if:

- it is not probable that an outflow of assets embodying economic benefits will be required;
- the amount of costs can be measured with reliability.

The Fund classifies expenses based on the nature of expenses in accordance with IAS 1.

4.10 Related parties

The related parties include individuals and legal entities in accordance with the list approved by the Board of Directors of the Fund for disclosing information about transactions with related parties.

The criteria for determining related parties are the following:

For individuals:

- a) being part of those charged with governance of the Fund;
- b) being part of key management (that is, those members of management who have the authority and responsibility for planning, directing and controlling the activities of the Fund);
- c) being a close family member of any person referred to in subparagraph (a) or (b);
- d) having a significant business relationship with any person referred to in subparagraph (a) or (b);

Transactions with related parties are required to be disclosed.

4.11 Statement of cash flows

The Statement of cash flows is prepared by the direct method from the Fund's accounting registers.

4.12 Employee benefits

Remuneration of the Fund's employees is performed in accordance with the provisions on remuneration of labor, staff schedule, established tariff rates, using the data of the timesheet.

Employee benefits are short-term payments.

All short-term employee benefits are recognized and measured as liabilities (accrued expenses).

The Fund does not have long-term retirement benefit plans for employees.

4.13 Equity

Elements of the Fund's equity

Registered (share) capital. Unpaid capital.

The provisions regulating the order of formation, size and amending share capital are set in Art. 27- Art. 32 of the Charter of SI "Energy Efficiency Fund". The equity is made up of funds received from the state budget to the appropriate account of the Fund opened with the State Treasury of Ukraine.

Debts of participants on formation of share capital at the end of the reporting period are recorded in the "Unpaid capital" account broken down by participants. In the Statement of Financial Position (Balance Sheet) and the Statement of Changes in Equity such debts are reported as a negative amount in a separate item "Unpaid capital" and are disclosed in the notes to the financial statements providing full information on the participants, amounts, terms and reasons for incomplete formation of share capital.

Capital in revaluation surplus

Capital in revaluation surplus is designed to record and summarize information about the financial instrument revaluation increase (decrease), which, in accordance with international accounting standards, are recognized in equity with disclosure in the Income statement (Statement of profit or loss and other comprehensive income).

Additional paid-in capital

The assets received in accordance with Article 22 of the Charter, except for contributions to the share capital, are recognized in "Additional paid-in capital" item. As at 31 December 2022, such assets are absent.

Reserve capital

Due to the specific activity of the Fund, which is not aimed at generating profit, the reserve capital is not formed through retained earnings. There are no other legal grounds for the formation of reserve capital.

Retained earnings (accumulated loss)

This equity item represents the allocation of financial result from the Fund's activities during the reporting period.

All changes in equity items are reflected in the Statement of Equity, which is an integral part of the Fund's financial statements, accompanying by their disclosure in the notes to the financial statements.

4.14 Grants

Government grants are not recognized until there is reasonable assurance that the Fund will comply with the conditions attached to it and that the grants will be received during the period in which the Fund recognizes the expenses that the grants are intended to compensate. Specifically, grants whose primary condition is that the Fund should purchase, construct or otherwise acquire non-current assets are recognized as government grants (grants) in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

4.15 Transactions in foreign currency

Initial recognition of an asset or liability in a foreign currency

The initial recognition of an asset or liability in a foreign currency is translated in the national currency - the hryvnia - at the relevant official exchange rate of the NBU on the date of the business transaction.

Further influence of hryvnia exchange rate fluctuations against foreign currency

Monetary assets and liabilities recognized in foreign currencies are translated in hryvnias at the relevant exchange rates established by the National Bank of Ukraine on the Balance sheet date, as well as on the date of the business transaction within its limits.

Non-monetary assets and liabilities measured at fair value, originally denominated in foreign currencies, are translated into the functional currency at the exchange rate established on the fair value determination date. Non-monetary items in foreign currencies that are valued at historical cost are calculated using the exchange rate at the date of the transaction.

Exchange rate differences arising from the translation of monetary items are recognized in the financial statements on a net basis in income or expenses (clause 35 of IAS 1).

Income and expenses arising from transactions in foreign currencies are material, subject to disclosure in the notes to the financial statements (item 35 of IAS 1).

4.16 Accounting for reimbursement by the International Financial Corporation (hereinafter - IFC) of the Fund's expenses for the payment of Grants to Beneficiaries

Initial recognition of the IFC debt

In accordance with the terms of the Reimbursement Agreement concluded between the Fund and the IFC on 02 December 2021 (effective date 13 December 2021) (hereinafter - the Reimbursement Agreement), the amount of the IFC's partial reimbursement of the Grant, which the IFC notes in the notifications to the Fund, is recognized by the Fund simultaneously in income and expenses on the date of approval of the relevant application for the Beneficiary.

In accordance with the terms of the Second Letter dated 05 December 2022 on amendments to the Reimbursement Agreement in connection with the retroactive increase in the reimbursement rate, the amount that was previously determined as the share of the grant that is financed by the Fund is recognized as income on the date of the document (EEF Grant Disbursement Request - Application of the Fund for Grant Payment), which was sent to IFC for the reimbursement of funds in foreign currency.

In accordance with the terms of the Reimbursement Agreement of Grants under the VidnovyDim program, concluded between the Fund and the IFC on 28 November 2022 (effective date 28 November 2022) (hereinafter referred to as the Reimbursement Agreement under the VidnovyDim program), the amount of the IFC's reimbursement of the Grant, which the IFC notes in the notifications for the Fund, recognized by the Fund simultaneously in income and expenses on the date of approval of the relevant application for the Beneficiary.

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To account such debt, the model of accounting for grants based on the income method (IAS 20) is used.

Further accounting of IFC debt and its repayment

Further accounting of IFC's debt to the Fund is carried out in accordance with the terms of the Reimbursement Agreement and the Reimbursement Agreement under the VidnovyDim program, including in foreign currency, using the accounting of transactions in foreign currency.

Income and expenses from the initial recognition of the IFC's debt to the Fund are disclosed in the financial statements separately (on a gross basis) (item 35 of IAS 1).

5. Items information disclosure

5.1. Roll-forward of intangible assets by groups

	Computer software, licenses	Accounting software	EDI system	Reuse projects "Overhaul (thermal modernization) of reinforced concrete"	IA under development	Total
As at 31 December 2020						
Historical cost	165	35	-	-	163	363
Accumulated amortization	(45)	(10)	-	-	-	(55)
Net carrying amount	120	25	-	-	163	308
Additions (historical cost)	-	7	330	890	1 080	2 307
Disposals (historical cost)	12	-	-	-	163	175
Disposals (amortization)	6	-	-	-	-	6
Amortization charge	(33)	(12)	(6)	(30)	-	(81)
As at 31 December 2021						
Historical cost	152	42	330	890	1 080	2 494
Accumulated amortization	(72)	(22)	(5)	(30)	-	(129)
Net carrying amount	80	20	325	860	1 080	2 365
Additions (historical cost)	631	7	-	-	-	638
Disposals (historical cost)	12	-	-	-	-	12
Disposals (amortization)	7	-	-	-	-	7
Amortization charge	(69)	(14)	(66)	(178)	-	(327)
As at 31 December 2022						
Historical cost	771	49	330	890	1 080	3 120
Accumulated amortization	(134)	(36)	(72)	(208)	-	(450)
Net carrying amount	637	13	258	682	1 080	2 670

In 2022:

- 50 Office licenses and 74 Windows Server licenses were purchased;
- the creation of IA IT - a platform for receiving applications under the EnergoDim Fund's Program - was completed, it was recognized in January 2023;
- There were no impairment as at 31 December 2022.

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5.2 Roll-forward of property, plant and equipment by groups

In 2022, property, plant and equipment with carrying amount of UAH 47 thousand were disposed. There were no impairment during 2022.

There are no property, plant and equipment and intangible assets on the Balance sheet that are temporarily withdrawn from use or classified as held for sale and/or in respect of which there are statutory restrictions of ownership, use or disposal.

As at 31 December 2022, there are no fully depreciated property, plant and equipment.

	Machinery and equipment	Vehicles	Other property, plant and equipment	Total
As at 31 December 2020				
Historical cost	2 232	580	350	3 162
Accumulated depreciation	(332)	(10)	(3)	(345)
Net carrying amount	1 900	570	347	2 817
Additions (historical cost)	218	-	7	225
Disposals (historical cost)	-	-	-	-
Disposals (depreciation)	-	-	-	-
Depreciation charge	(444)	(114)	(42)	(600)
As at 31 December 2021				
Historical cost	2 450	580	357	3 387
Accumulated depreciation	(776)	(124)	(45)	(945)
Net carrying amount	1 674	456	312	2 442
Additions (historical cost)	1 193	-	28	1 221
Disposals (historical cost)	105	-	-	105
Disposals (depreciation)	58	-	-	58
Depreciation charge	(520)	(114)	(43)	(677)
As at 31 December 2022				
Historical cost	3 538	580	385	4 503
Accumulated depreciation	(1 238)	(238)	(88)	(1 564)
Net carrying amount	2 300	342	297	2 939

5.3. Inventories

The Fund's "Inventories" recognized in the Balance sheet intended to ensure administrative (managerial) needs are presented as follows:

	as at 31 December 2022	as at 31 December 2021
Low-value and short-lived items at warehouses	3	5
Consumables to ensure the operation of office equipment, other inventories	186	109
Other non-current tangible assets	70	78
TOTAL	259	192

Taking into account the results of the review of the market value and market conditions regarding the potential sales prices of inventories as at 31 December 2022 and 31 December 2021, cost of inventories does not require depreciation. As at 31 December 2022 and 31 December 2021, inventories are not pledged.

As at 31 December 2022, inventories were recognized in expenses in the amount of UAH 234 thousand (as at 31 December 2021: UAH 485 thousand).

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5.4. Accounts receivable for advances made

	as at 31 December 2022	as at 31 December 2021
Guarantee payment under the lease agreement, insurance of leased property	10	17
Use of e-mail, website, security services, etc.	278	481
Online access to services and software	92	-
Periodicals	10	17
Car insurance	26	22
Audit of the financial statements	83	-
Property, plant and equipment	52	-
Other	1	47
TOTAL	552	584

5.5. Accounts receivable for accrued income settlements

	as at 31 December 2022	as at 31 December 2021
Interest accrued on current account cash balance	-	26
TOTAL	-	26

5.6. Other current accounts receivable

	as at 31 December 2022	as at 31 December 2021
Settlements with the International Finance Corporation including UAH 51 596 thousand = USD 1,410 thousand	91 239	13 618
Settlements with the associations of co-owners of multi-apartment buildings	532	651
Compulsory state social security settlements	172	22
Other	-	2
TOTAL	91 943	14 293

In this table, debt as at 31 December 2022 on settlements with the International Financial Corporation, in the amount of UAH 91,239 thousand and debt on settlements with associations of co-owners of multi-apartment buildings in the amount of UAH 532 thousand is financial.

5.7. Cash and cash equivalents

	as at 31 December 2022	as at 31 December 2021
Cash in national currency, including:	2 172 461	2 634 764
Account in the Department of State Treasury Service of Ukraine	2 122 021	2 194 910
Banks	50 440	439 854
Cash equivalent to USD 8,239 thousand	301 274	-
TOTAL	2 473 735	2 634 764

The account in the Department of the State Treasury Service of Ukraine in the Pechersk District of Kyiv is used by the Fund in accordance with Resolution of the CMU No. 590 dated 09.06.2021 "On Approval of the Procedure for the Execution of Powers by the State Treasury Service in a Special Regime Under Martial Law Conditions". The Treasury makes payments on behalf of the Fund, taking into account the resource availability of a single treasury account, and currently, the payment deadline is one week from the date of the Fund's drawing up of the payment order.

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5.8. Other current assets

	as at 31 December 2022	as at 31 December 2021
Monetary documents	80	87
TOTAL	80	87

5.9. Registered (share) capital

	as at 31 December 2022	as at 31 December 2021
Share capital	2 819 329	2 819 329
TOTAL	2 819 329	2 819 329

The Fund's founder is the State represented by the Cabinet of Ministers of Ukraine. Share capital is formed exclusively at the expense of the state budget.

There is no debt on the contributions to the share capital at 31 December 2022.

5.10. Non-current provisions

This item reflects provisions created for the future payment of grants to the Beneficiaries under the Fund's Program.

	as at 31 December 2022	as at 31 December 2021
Balance of the provision at the beginning of the year	1 090 461	385 777
Gross amount of non-current provision	226 590	1 333 171
Adjustment	-	(6 189)
Discount rates *		
Discount	(31 693)	(250 516)
Discount amortization	181 118	107 606
Used	(26 668)	(35 637)
Reclassified to current provisions	(1 321 692)	(489 080)
Discount relating to provisions that are reclassified as current	26 779	45 329
Balance of the provision at the end of the year	144 895	1 090 461

The term of non-current provisions is up to 2 years, the currency of these provisions is hryvnia.

*Discount rates depending on the period of joining to the Program in 2021 are the following:

January - 12,64%, February - 12,36%, March - 11,97%; April - 11,65%; May - 11,42%; June - 11,26%; July - 11,15%; August - 11,05%; September - 11,07%; October - 11,08%; November - 11,03%; December - 11,15%.

Discount rates depending on the period of joining to the Program in 2022 are the following:

January - 11,18%, February - 11,16%, March - 11,17%; April - 11,19%; May - 11,27%; June - 11,37%; July - 11,62%; August - 11,78%; September - 12,30%; October - 12,52%.

The total amount of non-current provisions includes non-current provisions for Grants for Beneficiaries located in the temporarily occupied territories since the beginning of the military aggression of the Russian Federation, in the amount of UAH 21,083 thousand. The discount on such provisions is UAH 2,862 thousand.

The management of the Fund made a decision regarding housing cooperatives located in the temporarily occupied territories, temporarily, until the de-occupation, their subsequent applications under the Program will not be considered. Provisions that were created for such Beneficiaries upon joining the Program are not subject to release, which enables housing cooperatives to remain joined to the Program and to implement their projects after the de-occupation. As at the date of preparation of the financial statements by officials, intelligence, and military analysts, it is predicted that the end of the Russian Federation's military aggression against Ukraine will take place in 2023.

5.11. Current accounts payable for goods, works and services

	as at 31 December 2022	as at 31 December 2021
Web hosting	43	2
TOTAL	43	2

5.12. Current accounts payable for settlements with employees

According to IAS 19, the Fund pays employees in accordance with official salaries and an approved staff schedule. In the reporting period, remuneration was paid to individuals who are not members of the Fund staff with the application of contracts of civil law nature (contracts with members of the Supervisory Board, contract for services rendered).

At 31 December 2022, there are no current employee benefits payable. There is no overdue debts on payment of salaries and wages at 31 December 2022.

	as at 31 December 2022	as at 31 December 2021
Remuneration to members of the Supervisory Board	122	110
Other	-	1
TOTAL	122	111

5.13. Current provisions

This item represents the provision for unused vacation for employees and provision for future payments of Beneficiary's Grants under the Fund's Program EnergoDim.

	as at 31 December 2022	as at 31 December 2021
Provision for unused vacation		
Provision balance at the beginning of the year	2 308	1 319
Additions for the year	3 121	3 068
Used provision during the year	(2 294)	(2 079)
Provision balance at the end of the year	3 135	2 308
Provision for Grants payment		
Balance of the provision at the beginning of the year	502 462	18 441
Additions for the year	128 935	73 073
Used provision (Grants paid)	(265 244)	(32 528)
Adjustment of the provision (contract termination)	-	(275)
Reclassified from non-current provision to current	1 321 692	489 080
Discount on provisions reclassified to current	(26 779)	(45 329)
Balance of the provision at the end of the year	1 661 066	502 462
Provision for future payments		
Balance of the provision at the beginning of the year	-	22
Additions for the year	-	-
Used during the year	-	(22)
Balance of the provision at the end of the year	-	-
TOTAL	1 664 201	504 770

The total amount of current provisions includes current provisions for Grants for Beneficiaries located in the temporarily occupied territories since the beginning of the military aggression of the Russian Federation, in the amount UAH 66,160 thousand. The discount on such provisions is UAH 2,558 thousand.

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5.14. Deferred income

	as at 31 December 2022	as at 31 December 2021
Balance at the beginning of the year	1 189	746
Accrued costs associated with the use of assets	(249)	(201)
Accrued in accordance with the State Audit Service of Ukraine requirements	-	644
Funds returned by the Beneficiaries or taken into account in the reduction of Grants (according to the requirements of the State Audit Service of Ukraine)	(112)	-
Balance at the end of the year	828	1 189

5.15. Other operating income

	for 2022	for 2021
Interest on current account cash balance	6 175	10 238
IFC Reimbursement for the payment of Grants under the EnergoDim program	538 848	13 619
IFC Reimbursement for the payment of Grants under the VidnovyDim program	10 559	-
Currency realization	1 293	-
Operating exchange rate difference	494	-
Other	112	52
TOTAL	557 481	23 909

5.16. Administrative expenses

	for 2022	for 2021
Material costs	234	485
Employee benefits, including accruals	41 302	42 660
Amortization and depreciation	1 004	680
Business trips	81	87
Lease payments	-	2 723
Utility costs	1 745	1 407
Other (services of third-party organizations to ensure the functioning of the Fund)	2 055	2 033
TOTAL	46 421	50 075

5.17. Distribution expenses

	for 2022	for 2021
Advertising on TV and on the Internet	-	662
Marketing services	-	102
Advertising materials	96	-
TOTAL	96	764

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5.18. Other operating expenses

	for 2022	for 2021
Costs of Grant activity (accrual of provision under the EnergoDim Program):	323 832	1 152 804
Gross costs of Grant activity (EnergoDim Program)	355 525	1 403 320
Discount on non-current provisions (EnergoDim Program)	(31 693)	(250 516)
Grant costs reimbursable by IFC (EnergoDim Program)	291 912	13 618
Costs of Grant activity under the VidnovyDim Program (pilot project) are subject to 100% reimbursement by the IFC	10 558	-
Other	416	104
TOTAL	626 718	1 166 526

5.19. Other income

	for 2022	for 2021
Income to the extent of depreciation costs on assets received for free according to the Memorandum of Technical Assistance:		
property, plant and equipment	178	168
intangible assets	32	32
Compensation of the carrying amount of property, plant and equipment	25	-
Funding of preferential vacations of the employees of the Social Insurance Fund of Ukraine	23	-
TOTAL	258	200

5.20. Finance costs

	for 2022	for 2021
Recognition of depreciation discount in finance costs arising from the application of recognition of non-current provision for payment of cash funds (Grants)	181 117	107 606
TOTAL	181 117	107 606

5.21. Elements of operating expenses – material costs

	for 2022	for 2021
Inventories (including stationery, printing materials, image products, and supplies for office equipment)	260	376
Non-current tangible assets put into operation (furniture, office supplies, and low-value equipment)	61	109
TOTAL	321	485

5.22. Elements of operating expenses – labor costs

	for 2022	for 2021
Employees	29 949	30 999
Provision for unused vacation	2 563	2 518
Supervisory Board	1 791	1 634
Civil contracts (except for members of the Supervisory Board)	-	102
TOTAL	34 303	35 253

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5.23. Elements of operating expenses — social security charges

	for 2022	for 2021
Employees	6 349	6 457
Provision for unused vacation	558	550
Supervisory Board	393	360
Civil contracts (except for members of the Supervisory Board)	97	22
Unified social contribution for sick leave	21	21
TOTAL	7 418	7 410

5.24. Elements of operating costs — depreciation and amortization

	for 2022	for 2021
Property, plant and equipment (own funds)	513	432
Property, plant and equipment (international technical assistance)	164	168
Intangible assets (international technical assistance)	29	-
Intangible assets (own funds)	298	80
TOTAL	1 004	680

5.25. Elements of operating expenses — other operating expenses

	for 2022	for 2021
Expenses from initial recognition of provisions for Grant activity (EnergoDim Program)	615 744	1 166 422
Expenses for Grant activity subject to reimbursement by the IFC (EnergoDim Program)	10 558	-
Services (Notes 5.16 and 5.17)	3 800	6 927
Business trips	81	87
Reimbursement of expenses to Supervisory Board members (transportation)	5	15
Other	-	86
TOTAL	630 188	1 173 537

5.26. Interest on current account cash balance

	for 2022	for 2021
Receipts with "UkrGasbank", JSC	6 067	10 492
Receipts with "PrivatBank", JSC	135	437
TOTAL	6 202	10 929

5.27. Forfeits (penalties and fines) received

	for 2022	for 2021
Non-fulfillment of economic obligations	3	28
TOTAL	3	28

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5.28. Other proceeds

	for 2022	for 2021
IFC reimbursement under the EnergoDim program	472 280	-
Foreign currency realization	1 292	-
Business trip advances refund	-	3
Compensation of PP&E	10	-
Sick leaves at the expense of the social insurance fund	448	141
Refunds on the State Audit Service of Ukraine requests	7	35
TOTAL	474 037	179

5.29. Payments for goods (works, services)

	for 2022	for 2021
Stationery and office supplies	124	103
Maintenance of office equipment	102	112
Leases of non-current assets, including operating and utility	1 745	4 001
Marketing activities and printing	47	5 688
Audit services	179	172
Postal, telecommunication services, and Internet	52	233
Access to online services, security services, periodicals, etc.	1 081	907
Other	483	680
TOTAL	3 813	11 896

5.30. Other expenses

	for 2022	for 2021
Grant activity (EnergoDim program)	583 137	85 318
Grant activity (VidnovyDim program)	10 558	-
Payments of sick leave at the expense of the social insurance fund	374	124
Business trips	72	93
Other	458	484
TOTAL	594 599	86 019

5.31. Expenses for acquisition of non-current assets

	for 2022	for 2021
Intangible assets	639	2 143
Computer and office equipment	1 215	217
Other	60	147
TOTAL	1 914	2 507

5.32. Equity proceeds

	for 2022	for 2021
Share capital formation	-	100 000
TOTAL	-	100 000

6. Other information disclosure

6.1 Contingent assets

The Fund recognizes contingent assets on the off-balance sheet accounts.

Under the terms of the Grant Agreement, "the Fund may initiate the return of the Grant or a portion thereof in the cases specified in the Terms and the Program, as well as take all necessary actions provided for in the Terms and the Program". Thus, the Tranches paid to the final Beneficiaries as a partial reimbursement of

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the costs incurred for energy efficiency measures may be reimbursed to the Fund in the event of non-compliance with the Program.

At the time of payment of the next Tranche to the Beneficiary, the Fund recognizes the contingent asset and recognizes on the off-balance sheet accounts in the context of the Beneficiaries and stages.

"Contingent assets" off-balance sheet account is presented as follows:

	2022	2021
Balance at the beginning of the year	46 723	4 094
Contingent assets recognized	583 137	85 318
Decrease in contingent assets due to the implementation by the Beneficiary of the Fund Program and the Grant receipt	226 178	(42 689)
Balance at the end of the year	403 682	46 723

6.2 Contingent liabilities

The Fund recognizes contingent liabilities on the off-balance sheet accounts.

Under to the terms of the Grant Agreement, any Tranche can be transferred to the Beneficiary's account:

- by the Fund itself in full amount; or
- by the Fund with the involvement of any third parties who are partners of the Fund, including Donors in accordance with the Agreement on the financing of the event "Energy Efficiency Support Program in Ukraine — EE4U" and the Agreement on Financing the event "Program support energy efficiency in Ukraine — EE4U-II" (EE4U and EE4U-II) concluded between the Government of Ukraine and the European Commission. Herewith, any Tranche co-financed by partners of the Fund (including Donors) may be transferred to the Beneficiary's account in several installments - from the Fund and from partners of the Fund (Donors). However, if the Fund's partners or Donors are unable or refuse to co-finance any Tranche at any time and for any reason, such Tranche shall be funded and transferred by the Fund itself in full amount.

In this regard, the Fund has a contingent liability regarding possible payments of a share (50%) of the full amount of the Tranche in the event of refusal of the Fund's partners to pay.

On 13 December 2021, the Reimbursement Agreement dated 02 December 2021 entered into force concluded between the Fund and IFC to change the funding conditions of IFC Grants. Under the terms of the Reimbursement Agreement, the Fund pays 100% of the Grant Tranche to the housing cooperatives, followed by reimbursement of the IFC's share to the Fund (according to the Agreement it amounts to 50% of the expenses for the payment of Tranches of Grants, however, 100% during March 2022 until May 2023).

The Fund creates contingent liabilities on the off-balance sheet accounts by Beneficiaries and project stages.

"Contingent liabilities" off-balance sheet account is presented as follows:

	2022	2021
Balance at the beginning of the year	1 835 987	507 043
Contingent liabilities recognized	361 607	1 403 519
Grant payments made by the Fund's partner (IFC)	-	(60 957)
IFC's Grants share paid by the Fund under the Reimbursement Agreement	(297 994)	(13 618)
Balance at the end of the year	1 899 600	1 835 987

6.3 Lease of non-current assets

In 2021, the Fund entered into lease agreements for non-residential premises with State Property Fund of Ukraine. The lease price is UAH 1.00 per year. The lease term is 4 years and 11 months.

The Fund recognizes part of the office building on the off-balance sheet account "Leased non-current assets" with fair value of UAH 27,741 thousand.

6.4 Related party transactions

Individuals.

Wages and salaries or remunerations (tax deducted) were paid in UAH as follows:

	for 2022	for 2021
Members of the Fund's Supervisory Board (2 persons)	1 432	1 319
Fund's Board of Directors (5 persons)	2 016	3 872

The decrease in the costs of payments for the Board of Directors in 2022 occurred due to the long-term performance of the duties of two members of the Board of Directors by the heads of structural subdivisions without release from their duties with a salary difference in official salaries.

Payables as at 31 December 2022 and 31 December 2021 (in UAH) are presented as follows:

	for 2022	for 2021
Members of the Fund's Supervisory Board (2 persons)	120	111
Fund's Board of Directors (3 persons)	-	-

6.5. Fair value of financial instruments

The estimated fair value of financial instruments is determined by taking into account various market information and appropriate valuation techniques. However, such a valuation requires a reasonable judgment in interpreting market information. Accordingly, such valuations do not always reflect the amounts that may be received in the current market situation.

The carrying amount of cash and cash equivalents, trade and other receivables and payables is almost equal to their fair value due to the short maturity of these instruments.

Comparison of the carrying amount and fair value of all financial instruments owned by the Fund that are reflected in the Statement of Financial Position is provided below:

Comparison of the carrying amount and fair value of all financial instruments

	31 December 2022 <i>thousands of UAH</i>	31 December 2021 <i>thousands of UAH</i>
Financial assets		
Cash and cash equivalents	2 473 735	2 634 764
Accounts receivable on accrued income settlements	-	26
Accounts receivable on settlements with the International Finance Corporation	91 239	13 618
Accounts receivable on settlements with associations of co-owners of multi-apartment buildings	532	651
TOTAL	2 565 506	2 649 059
Financial liabilities		
Trade payables for goods, works, services	43	2
TOTAL	43	2

6.6. Financial risk management

The Fund has a number of financial risks as a result of its activities, which are presented below. The Fund aims to control and minimize the negative consequences of these risks through its risk management policies and risk management processes.

(A) Credit risk

Credit risk represents the risk of losses due to the inability of the counterparty to fulfill its financial obligations. It arises mainly from the Fund's cash and cash equivalents, counterparty cash and cash equivalents and accounts receivable.

(I) Cash and cash equivalents

The Fund manages credit risk on its cash and cash equivalents through its cash and cash equivalents held with the State Treasury of Ukraine and state banks.

(II) Counterparty cash and cash equivalents

The Fund manages credit risk arising from cash and cash equivalents on settlements with counterparties by fully limiting the use of these funds for the Fund's needs.

(III) Accounts receivable

The Fund is not exposed to credit risk, although it may arise as a result of bad debts on settlements of business operations, or when grant activities are conducted when the beneficiary must return the grant funds due under the terms of the Program.

The Fund on a regular basis carries out control of settlements in order to minimize possible overdue receivables. The Fund has no concentration of credit risk associated with accounts receivable from one counterparty.

(B) Market risk

Market risk represents the risk of losses due to changes in market prices and rates, such as currency rates and interest rates. The Fund is not exposed to market risk due to the lack of investments in financial instruments, and, accordingly, the lack of open positions on such instruments.

(I) Currency risk

For the year 2023, the state budget set the exchange rate of the US dollar in the amount of 42.2 hryvnias. Reimbursement of the IFC's share of the Grant takes place at the NBU exchange rate effective on the date of submission of the application for reimbursement by the Fund, therefore the Fund is not exposed to currency risk with respect to cash and cash equivalents and receivables in foreign currency. The Fund has no accounts payable in foreign currency.

(II) Interest rate risk

The risk of interest rate changes is insignificant, since the Fund does not have financial obligations that would provide interest costs.

(C) Liquidity risk

Liquidity risk represents a risk of loss due to the inability of the Fund to fulfill its obligations in a timely manner. The Fund manages liquidity risk by managing cash and cash equivalents held on the accounts of the State Treasury of Ukraine and the state banks.

The contractual maturity of the Fund's financial commitments is generally up to one year, except for grant obligations for the Beneficiaries under the Fund Program (Note 5.10). Accounts payable for services and other liabilities on settlements with counterparties have a maturity period of up to three months.

All liabilities of the Fund are fully covered by highly liquid assets, which are represented by cash and cash equivalents.

Liquidity risk is a risk of failure of complying with Fund's financial liabilities at the date of their settlement. The Fund's approach to liquidity management is to ensure, as far as possible, the Fund has adequate liquidity to meet its obligations in a timely manner (both under normal circumstances and in the event of unusual situations), avoiding unacceptable losses or risk damage to the Fund's reputation.

The Fund's management is liable for maintaining the required level of liquidity. The related structure of maintaining of the Fund's requirements of short-, medium- and long-term financing and for liquidity control was developed by the Fund's management. The Fund manages the risk of loss of liquidity through sufficient reserves, the use of bank resources and loans, as well as through continuous monitoring, predictable and actual cash flow, as well as a combination of terms of payment on assets and obligations of the Fund.

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The Fund conducts daily monitoring of the control of the balance of funds, which allows maintaining the sufficiency of the capital necessary both for the implementation of Grant activity under the EnergoDim and VidnovyDim Fund Programs, as well as for the functioning of the Fund in the medium term.

The Fund has sufficient funds to repay its current obligations.

6.7. Events after the reporting period

There were no significant events in the financial and economic activities of the Fund occurred after the reporting period and before issue of the financial information that would require the adjustment after the reporting period of the amounts recognized in the financial statements, or the recognition of previously unrecognized items in accordance with the requirements of IAS 10 "Events after the reporting period".

As stated in Note 2.4, the war with the Russian Federation, which began on 24 February 2022, continued as at the reporting date and continues as at the date of approval of these financial statements, so the Fund's management cannot estimate the possible future financial impact of the specified event.

There are no other significant events that affected or may affect the results of the Fund's financial statements as at 31 December 2022, that occurred between the reporting date and the date of signing the financial statements for 2022 prepared in accordance with IFRS.

6.8. Correction of errors

There were no corrections of errors of previous periods in the reporting period (2022).

Director



Y. Fareniuk

Chief Accountant

V. Kulinska