

Independent Auditor's Report

by independent audit firm
OOO Crowe Expertiza
on statutory financial statements of
GLOBAL COLORS LLC for 2019

Translation from Russian original

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**To the Participants of
Limited Liability Company
GLOBAL COLORS**

To the Participants of Limited Liability Company
GLOBAL COLORS

AUDITOR'S REPORT

Opinion

We have audited the accompanying annual statutory financial statements of Limited Liability Company GLOBAL COLORS (Primary State Registration Number OGRN 1187847063095, 196650, St Petersburg, town of Kolpino, Izhorsky Zavod area, number 86, bld. 2, Letter A) which comprise the balance sheet as at 31 December 2019, income statement for 2019, appendices to the balance sheet and income statement, including statement of changes in equity for 2019 and statement of cash flows for 2019, and explanatory notes to the balance sheet and income statement for 2019, including significant accounting policies.

In our opinion, the attached annual statutory financial statements present fairly, in all material respects, the financial position of Limited Liability Company GLOBAL COLORS as at 31 December 2019, the results of its operations and its cash flows for the year 2019 in accordance with the reporting rules established in the Russian Federation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Statutory Financial Statements section of this report. We are independent with regard to the audited entity in accordance with the Independence Rules for Auditors and Audit Organisations and the Code of Professional Ethics for Accountants consistent with the Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including international independence standards) and comply with other obligations under such professional ethics requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Annual Statutory Financial Statements

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

In preparing the annual statutory financial statements, management is responsible for assessing the audited entity'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 audited entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual statutory financial statements

Our objectives are to obtain reasonable assurance about whether the annual statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to prepare 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 annual statutory financial statements.

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

- a) identify and assess the risks of material misstatement of the annual statutory 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.
- 6) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the audited entity's internal control;
- b) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the audited entity;
- r) 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 audited entity'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 annual statutory 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 audited entity to cease to

continue as a going concern;

- д) Evaluate the overall presentation, structure and content of the annual statutory financial statements, including the disclosures, and whether the annual statutory financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the audited entity 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.

The certified auditor responsible for the audit
resulting in this
independent auditor's report

E.A. Potashevskaya

Audit firm:

Limited Liability Company Crowe Expertiza
Primary State Registration Number (OGRN) 1027739273946
34 Mashi Poryvaevoy street, Moscow, 107078

Member of Self-regulatory organization of auditors Association «Sodruzhestvo» (CPO AAC),
ORNZ 12006033851

13 March 2020

Balance sheet
as of December 31, 2019

Company GLOBAL COLORS Limited Liability Company
Taxpayer Identification Number _____
Economic activity type Manufacturing of other chemical products
Form of incorporation / form of ownership _____

Limited Liability Company / Ownership of foreign legal entities

Measurement unit: in ths. RUB

Location (address)

643,196655,Saint Petersburg, Kolpino, Izhorskiy factory territory, 87, Bldg. 2, Lit. A

Accounting statements are subject to mandatory audit ☒ YES ☐ NO

Name of audit organization / last name, first name, patronymic (if any) of individual auditor

Crowe Expertiza LLC

Taxpayer identification number of the audit organization / Individual auditor

Private state registration number of the audit organization / individual auditor

OKUD form
Date (DD, MM, YYYY)

Acc. to OKPO

TIN

according to
OKVED 2

According to OKOPF / OKFS

According to OKEI

Codes		
0710001		
31	12	2019
27336395		
7817078198		
20.59		
12300		23
384		

Explanation s	Indicator name	Code	As of december 31, 2019	As of December 31, 2018	As of December 31, 2017
	ASSET				
	I. NON-CURRENT ASSETS				
1.	Intangible assets	1110	11 880	13 618	15 357
	Research and development results	1120	-	-	-
	Intangible development assets	1130	-	-	-
	Tangible development assets	1140	-	-	-
2	Fixed assets	1150	278 733	125 851	141 987
2.2	including: capital investments in progress	1151	13 589	1 341	6 346
			-	-	-
	Income yielding investments into tangible assets	1160	-	-	-
3.	Financial investments	1170	-	745	745
	Deferred tax assets	1180	13 794	-	-
	Other non-current assets	1190	-	-	-
	Total of section I	1100	304 406	140 214	158 089
	II. CURRENT ASSETS				
4.	Inventories	1210	268 000	258 584	265 320
	VAT on purchased items	1220	14 656	14 804	16 178
5.1	Accounts receivable	1230	220 568	214 573	181 684
	Financial investments (excluding cash equivalents)	1240	-	-	-
	Cash and cash equivalents	1250	49 616	60 274	15 228
	Other current assets	1260	-	-	-
	Total of section II	1200	552 841	548 235	478 410
	BALANCE SHEET	1600	857 247	688 449	636 499

Explanations	Indicator name	Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
LIABILITIES					
III. EQUITY AND RESERVES					
	Authorized capital (share capital, charter fund, contributions of partners)	1310	211 350	137 590	3 820
	Shares repurchased	1320	-	-	-
	Revaluation of non-current assets	1340	-	-	-
	Additional capital (without revaluation)	1350	454	454	155
	Reserve capital	1360	-	-	-
	Retained earnings (undistributed loss)	1370	285 316	132 206	86 454
	Total of section III	1300	497 120	270 250	90 430
IV. LONG-TERM LIABILITIES					
	Borrowed funds	1410	-	-	8 264
	Deferred tax liabilities	1420	8 365	7 117	4 677
	Estimated liabilities	1430	-	-	-
	Other liabilities	1450	-	-	-
	Total of section IV	1400	8 365	7 117	12 942
V. SHORT-TERM LIABILITIES					
5.3	Borrowed funds	1510	248 700	312 882	288 820
5.3	Accounts payable	1520	95 491	77 847	239 278
	Deferred revenues	1530	-	-	-
7.	Estimated liabilities	1540	7 571	20 352	5 030
	Other liabilities	1550	-	-	-
	Total of section V	1500	351 762	411 082	533 128
	BALANCE SHEET	1700	857 247	688 449	636 499

CEO _____
(signature)

Papadopoulos Eftychios
(printed name)

February 20, 2020

Profit and loss statement

For January - December 2019

OKUD form

Date (DD, MM, YYYY)

According to OKPO

TIN

According to

OKVED 2

According to OKOPF / OKFS

According to OKEI

Codes		
0710002		
31	12	2019
27336395		
7817078198		
20.59		
12300	23	
384		

Company **GLOBAL COLORS Limited Liability Company**

Taxpayer Identification Number

Economic activity

type **Manufacturing of other chemical products**

Form of incorporation / form of ownership

Ownership of foreign

Limited Liability Company / legal entities

Measurement unit: in ths. RUB

Explanations	Indicator name	Code	For January - December 2019	For January - December 2018
	Revenue	2110	1 265 318	1 111 402
	Cost of sales	2120	(925 172)	(835 474)
	Gross profit (loss)	2100	340 146	275 928
	Selling and marketing costs	2210	(76 946)	(85 209)
	Administrative expenses	2220	(49 010)	(44 107)
	Profit (loss) from sales	2200	214 190	146 612
	Income from participation in other companies	2310	-	-
	Interest receivable	2320	695	809
	Interest payable	2330	(13 655)	(12 722)
	Other income	2340	108 656	192 183
	Other expenses	2350	(59 002)	(266 628)
	Profit (loss) before taxation	2300	250 884	60 254
	Current income tax	2410	(53 257)	(15 321)
	including fixed tax liabilities (assets)	2421	1 948	(2 451)
	Change in deferred tax liabilities	2430	1 131	819
	Change in deferred tax assets	2450	-	-
	Other	2460	-	-
	Net income (loss)	2400	198 758	45 752

Explanations	Indicator name	Code	For January - December 2019	For January - December 2018
	Result from revaluation of non-current assets, not included to the net profit (loss) of the period	2510	-	-
	Result from other operations not included to net income (loss) of the period	2520	(45 649)	-
	Total financial result for the period	2500	153 109	45 752
	FOR REFERENCE			
	Basic earnings (loss) per share	2900	-	-
	Diluted earnings (loss) per share	2910	-	-

CEO _____
(signature)

Papadopoulos Eftychios
(printed name)

February 20, 2020

Equity change statement
For January - December 2019

Company	GLOBAL COLORS Limited Liability Company		Codes	
Taxpayer Identification Number			0710004	
Economic activity			31	12 2019
Form of incorporation / form of ownership			27336395	
			TIN 7817078198	
			According to OKVED 2 20.59	
Limited Liability Company	Ownership of foreign legal entities		12300	23
Measurement unit: in ths. RUB			384	

1. Capital flow

Indicator name	Code	Authorized capital	Shares repurchased	Additional capital	Reserve capital	Retained earnings (undistributed loss)	Total
Capital amount as of December 31, 2017	3100	3 820	-	155	-	86 454	90 429
For 2018							
Capital increase - total:	3210	133 770	-	299	-	45 752	179 821
including:							
net income	3211	X	X	X	X	45 752	45 752
property revaluation	3212	X	X	-	X	-	-
income directly related to capital increase	3213	X	X	-	X	-	-
additional issue of shares	3214	133 770	-	299	X	X	134 069
share par value increase	3215	-	-	-	X	-	X
reorganization of a legal entity	3216	-	-	-	-	-	-

Indicator name	Code	Authorized capital	Shares repurchased	Additional capital	Reserve capital	Retained earnings (undistributed loss)	Total
Decrease of capital - total:	3220	-	-	-	-	-	-
including:							
loss	3221	X	X	X	X	-	-
property revaluation	3222	X	X	-	X	-	-
expenses directly related to capital decrease	3223	X	X	-	X	-	-
share par value decrease	3224	-	-	-	X	-	-
decrease in the number of shares	3225	-	-	-	X	-	-
reorganization of a legal entity	3226	-	-	-	-	-	-
dividends	3227	X	X	X	X	-	-
Change in additional capital	3230	X	X	-	-	-	X
Change in reserve capital	3240	X	X	X	-	-	X
Capital amount as of December 31, 2018	3200	137 590	-	454	-	132 206	270 250
For 2019							
Capital increase - total:	3310	73 760	-	-	-	153 110	226 870
including:							
net income	3311	X	X	X	X	153 110	153 110
property revaluation	3312	X	X	-	X	-	-
income directly related to capital increase	3313	X	X	-	X	-	-
additional issue of shares	3314	-	-	-	X	X	-
share par value increase	3315	-	-	-	X	-	X
reorganization of a legal entity	3316	73 760	-	-	-	-	73 760
Decrease of capital - total:	3320	-	-	-	-	-	-
including:							
loss	3321	X	X	X	X	-	-
property revaluation	3322	X	X	-	X	-	-
expenses directly related to capital decrease	3323	X	X	-	X	-	-
share par value decrease	3324	-	-	-	X	-	-
decrease in the number of shares	3325	-	-	-	X	-	-
reorganization of a legal entity	3326	-	-	-	-	-	-
dividends	3327	X	X	X	X	-	-
Change in additional capital	3330	X	X	-	-	-	X
Change in reserve capital	3340	X	X	X	-	-	X
Capital amount as of December 31, 2019	3300	211 350	-	454	-	285 316	497 120

2. Adjustments due to changes in accounting policies and correction of errors

Indicator name	Code	As of December 31, 2017	Changes in capital for 2018		As of December 31, 2018
			Due to net profit (loss)	Due to other factors	
Capital - total					
Before adjustment	3400	-	-	-	-
Adjustment due to:					
changes in accounting policies	3410	-	-	-	-
correction of errors	3420	-	-	-	-
After adjustment	3500	-	-	-	-
including:					
Retained earnings (undistributed loss):					
Before adjustment	3401	-	-	-	-
Adjustment due to:					
changes in accounting policies	3411	-	-	-	-
correction of errors	3421	-	-	-	-
After adjustment	3501	-	-	-	-
under other capital items					
Before adjustment	3402	-	-	-	-
Adjustment due to:					
changes in accounting policies	3412	-	-	-	-
correction of errors	3422	-	-	-	-
After adjustment	3502	-	-	-	-

3. Net assets

Indicator name	Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Net assets	3600	497 120	270 250	90 430

CEO _____
(signature)

Papadopoulos Eftychios _____
(printed name)

February 20, 2020 _____

Cash Flow Statement
For January - December 2019

OKUD form
Date (DD, MM, YYYY) **31 12 2019**
According to OKPO **27336395**
TIN **7817078198**
According to OKVED 2 **20.59**
According to OKOPF / OKFS
According to OKEI

Codes		
0710005		
31	12	2019
27336395		
7817078198		
20.59		
12300	23	
384		

Company **GLOBAL COLORS Limited Liability Company**

Taxpayer Identification Number

Economic activity

Type **Manufacturing of other chemical products**

Form of incorporation / form of ownership

Ownership of foreign legal

Limited Liability Company

/ entities

Measurement unit: in ths. RUB

Indicator name	Code	For January - December 2019	For January - December 2018
Cash flows from current transactions			
Income - total	4110	1 271 967	1 090 618
including:			
from sale of products, goods, works and services	4111	1 267 773	1 075 347
rent payments, license fees, royalties, commission and other similar payments	4112	-	-
from resale of financial investments	4113	-	-
from deposits	4114	751	15 271
other income	4119	3 443	-
Payments - total	4120	(1 096 713)	(1 149 570)
including:			
to suppliers (contractors) for raw materials, materials, work, services	4121	(932 547)	(894 493)
in connection with remuneration of employees	4122	(82 065)	(70 642)
interest on debt liabilities	4123	(13 509)	(16 836)
corporate income tax	4124	(58 807)	(13 606)
	4125	-	-
	4126	-	-
	4127	-	-
other payments	4129	(9 785)	(153 993)
Cash flows from current transactions balance	4100	175 254	(58 952)
Cash flows from investment transactions			
Income - total	4210	2 501	1 106
including:			
from sale of non-current assets (except for financial investments)	4211	2 501	1 106
from sale of shares of other companies (participation	4212	-	-
from repayment of loans granted, from sale of debt securities (rights to claim money against other persons)	4213	-	-
dividends, interest on debt financial investments and similar proceeds from equity participation in other companies	4214	-	-
	4215	-	-
other income	4219	-	-
Payments - total	4220	(18 557)	(8 174)
including:			
in connection with acquisition, creation, modernization, reconstruction and preparation for use of non-current assets	4221	(17 547)	(5 914)
in connection with acquisition of shares of other companies (participation interests)	4222	-	-
in connection with acquisition of debt securities (rights to claim money against other persons), granting of loans to other persons	4223	(1 010)	(2 260)
interest on debt liabilities included to the cost of an investment asset	4224	-	-
	4225	-	-
other payments	4229	-	-
Cash flows from investment transactions balance	4200	(16 056)	(7 068)

Indicator name	Code	For January - December 2019	For January - December 2018
Cash flows from financial transactions			
Income - total	4310	-	134 069
including:			
Obtaining loans and borrowings	4311	-	-
cash contributions of owners (members)	4312	-	-
from issuing shares, increasing equity interest	4313	-	134 069
from issuing bonds, promissory notes and other debt securities, etc.	4314	-	-
	4315	-	-
other income	4319	-	-
Payments - total	4320	(169 679)	(23 903)
including:			
to owners (members) in connection with the redemption of their shares (stake) of the company or their withdrawal from the list of members	4321	-	-
to pay dividends and other payments for the distribution of profits in favor of the owners (members)	4322	-	-
in connection with repayment (buy-back) of promissory notes and other debt securities, repayment of loans and borrowings	4323	(169 679)	(23 903)
	4324	-	-
other payments	4329	-	-
Cash flows from financial transactions balance	4300	(169 679)	110 166
Cash flow balance for the reporting period	4400	(10 481)	44 146
Cash and cash equivalents balance at the beginning of the reporting period	4450	60 274	15 227
Cash and cash equivalents balance at the end of the reporting period	4500	49 616	60 273
Impact of foreign exchange rate changes against ruble	4490	(177)	900

CEO _____
(signature)

Papadopoulos Eftychios
(printed name)

February 20, 2020

**Explanations to the balance sheet
and profit and loss statement (ths. RUB)**

1. Intangible assets and expenses for research, development and technological works (R&D)

1.1. Availability and flow of intangible assets

p.1

Indicator name	Code	Period	At the beginning of the year		Changes for the period						At the end of the period		
			initial value	accumulated depreciation and impairment losses	Received	Withdrawn		Depreciation accrued	Impairment losses	Revaluation		initial value	accumulated depreciation and impairment losses
						initial value	accumulated depreciation and impairment losses			Initial value	Accumulated depreciation		
Intangible assets - total	5100	for 2019	17 385	3 767	-	-	-	1 739	-	-	17 385	5 505	
	5110	for 2018	17 385	2 028	-	-	-	1 739	-	-	17 385	3 767	
including: SAP	5101	for 2019	17 385	3 767	-	-	-	1 739	-	-	17 385	5 505	
	5111	for 2018	17 385	2 028	-	-	-	1 739	-	-	17 385	3 767	

1.2. Initial value of intangible assets created by the company itself

Indicator name	Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
		17 385	17 385	17 385
Total	5120			
including: SAP	5121	17 385	17 385	17 385

1.3. Intangible assets with fully repaid value

Indicator name	Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Total	5130	-	-	-
including:	5131	-	-	-

1.4. Availability and flow of R&D results

Indicator name	Code	Period	At the beginning of the year					Changes for the period			At the end of the period	
			initial value	Part of expensed value	Received	Withdrawn			part of expensed value for the period	initial value	Part of expensed value	
						initial value	part of expensed value	part of expensed value				
R&D - total	5140	for 2019	-	-	-	-	-	-	-	-	-	-
	5150	for 2018	-	-	-	-	-	-	-	-	-	-
including:	5141	for 2019	-	-	-	-	-	-	-	-	-	-
	5151	for 2018	-	-	-	-	-	-	-	-	-	-

1.5. Unfinished and undocumented R&D and unfinished operations for the acquisition of intangible assets

Indicator name	Code	Period	At the beginning of the year	Changes for the period			At the end of the period
				Expenses for the period	written off costs as given no positive result	accepted for accounting as intangible assets or R&D	
Costs under research and development in progress - total	5160	for 2019	-	-	-	-	-
	5170	for 2018	-	-	-	-	-
including:	5161	for 2019	-	-	-	-	-
	5171	for 2018	-	-	-	-	-
unfinished operations on acquisition of intangible assets - total	5180	for 2019	-	-	-	-	-
	5190	for 2018	-	-	-	-	-
including:	5181	for 2019	-	-	-	-	-
	5191	for 2018	-	-	-	-	-

CEO _____ **Papadopoulos Eftychios**
(signature) (printed name)

February 20, 2020 _____

2. Fixed assets

2.1. Availability and flow of fixed assets

Indicator name	Code	Period	At the beginning of the year		Changes for the period						At the end of the period	
			initial value	accumulated depreciation	Received	Withdrawn items		Depreciation accrued	Revaluation		initial value	accumulated depreciation
						initial value	accumulated depreciation		Initial value	Accumulated depreciation		
Fixed assets (without considering profitable investments in material values) - total	5200	for 2019	238 382	(113 872)	225 203	(25 737)	13 283	(72 116)	-	-	437 848	(172 704)
	5210	for 2018	226 513	(84 526)	14 309	(2 441)	2 286	(31 632)	-	-	238 382	(113 872)
including:												
Machinery and equipment	5201	for 2019	189 901	(85 429)	8 770	(24 057)	11 603	(21 324)	-	-	174 613	(95 151)
	5211	for 2018	183 267	(62 265)	7 139	(506)	351	(23 516)	-	-	189 901	(85 429)
other types of fixed assets	5202	for 2019	7 194	(4 378)	637	(1 651)	1 651	(2 472)	-	-	6 180	(5 200)
	5212	for 2018	7 093	(3 467)	101	-	-	(911)	-	-	7 194	(4 378)
vehicles	5203	for 2019	9 487	(5 147)	610	-	-	(2 120)	-	-	10 096	(7 267)
	5213	for 2018	9 166	(4 170)	1 721	(1 401)	1 401	(2 378)	-	-	9 487	(5 147)
production and household inventory	5204	for 2019	13 004	(7 364)	2 614	(29)	29	(1 791)	-	-	15 588	(9 126)
	5214	for 2018	8 542	(6 324)	4 996	(534)	534	(1 574)	-	-	13 004	(7 364)
office equipment	5205	for 2019	1 973	(18 077)	363	-	-	(172)	-	-	2 336	(1 980)
	5215	for 2018	1 779	(1 371)	194	-	-	(437)	-	-	1 973	(1 808)
buildings and land	5206	for 2019	16 824	(9 745)	212 210	-	-	(44 236)	-	-	229 034	(53 981)
	5216	for 2018	16 666	(6 929)	158	-	-	(2 816)	-	-	16 824	(9 745)
Accounted in profitable investments in material values - total	5220	for 2019	-	-	-	-	-	-	-	-	-	-
	5230	for 2018	-	-	-	-	-	-	-	-	-	-
including:												
	5221	for 2019	-	-	-	-	-	-	-	-	-	-
	5231	for 2018	-	-	-	-	-	-	-	-	-	-

2.2. Capital investments in progress

Indicator name	Code	Period	At the beginning of the year	Changes for the period			At the end of the period
				Expenses for the period	Written off	accepted for accounting as fixed assets or cost increased	
Construction in progress and incomplete operations for acquisition, modernization, etc. of fixed assets - total	5240	for 2019	1 341	23 194	-	(10 946)	13 589
	5250	for 2018	-	15 650	-	(14 309)	1 341
including: Extruder	5241	for 2019	1 341	23 194	-	(10 946)	13 589
	5251	for 2018	-	15 650	-	(14 309)	1 341

2.3. Changes in the value of fixed assets as a result of completion, additional equipment, reconstruction and partial liquidation

Indicator name	Code	for 2019	for 2018
Increase in the value of fixed assets facilities as a result of completion, additional equipment, reconstruction - total	5260	-	-
including:			
	5261	-	-
Reducing the value of fixed assets facilities as a result of partial liquidation - total:	5270	-	-
including:			
	5271	-	-

2.4. Other use of fixed assets

Indicator name	Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Leased out fixed assets on the balance sheet	5280	-	-	-
Leased out fixed assets accounted off-balance	5281	-	-	-
Leased fixed assets on the balance sheet	5282	2 353	3 278	2 676
Leased fixed assets accounted off-balance	5283	12 671	20 042	6 500
Real estate facilities accepted for operation and actually used, being in the process of state registration	5284	-	-	-
Fixed assets transferred to conservation	5285	-	-	-
Other use of fixed assets (pledge, etc.)	5286	-	-	-
Leasing including under the line 5282	5287	2 353	3 278	-
Haval	5288	836	1 013	1 222
Lada	5289	305	514	-
Kia		440	742	-
GAS		772	1 009	1 287
Leasing under the line 5283		4 699	4 699	-

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February 20, 2020 _____

3. Financial investments

3.1. Availability and flow of financial investments

Indicator name	Code	Period	At the beginning of the year		Changes for the period					At the end of the period	
			initial value	accumulated adjust-ment	Received	withdrawn (repaid)		interest accrual (including bringing the initial value to nominal)	Current market value (impairment loss)	initial value	accumulated adjust-ment
						initial value	accumulated adjust-ment				
Long-term - total	5301	for 2019	745	-	-	-	(745)	-	-	-	-
	5311	for 2018	745	-	-	-	-	-	-	745	-
including: MODERN PLANT	5302	for 2019	745	-	-	-	(745)	-	-	-	-
	5312	for 2018	745	-	-	-	-	-	-	745	-
Short-term - total	5305	for 2019	-	-	-	-	-	-	-	-	-
	5315	for 2018	-	-	-	-	-	-	-	-	-
including:	5306	for 2019	-	-	-	-	-	-	-	-	-
	5316	for 2018	-	-	-	-	-	-	-	-	-
Financial investments - total	5300	for 2019	745	-	-	-	(745)	-	-	-	-
	5310	for 2018	745	-	-	-	-	-	-	745	-

3.2. Other use of financial investments

Indicator name	Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Pledged financial investments - total	5320	-	-	-
including:				
	5321	-	-	-
Financial investments transferred to third parties (except sale) - total	5325	-	-	-
including:				
	5326	-	-	-
Other use of financial investments	5329	-	-	-

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February 20, 2020

22

4. Inventories

4.1. Availability and flow of investments

Indicator name	Code	Period	At the beginning of the year		Changes for the period					At the end of the period	
			Cost of production	reserve amount for depreciation	receipts and costs	withdrawn		Depreciation losses	Inventories turnover between their groups (types)	Cost of production	reserve amount for depreciation
						Cost of production	reserve amount for depreciation				
Inventories - total	5400	for 2019	258 584	-	1 709 158	(1 688 564)	-	-	X	268 000	-
	5420	for 2018	265 320	-	692 339	(835 671)	-	-	X	258 584	-
Including:											
Raw materials, materials and other similar values	5401	for 2019	121 346	-	730 202	742 905	-	-	-	108 643	-
	5421	for 2018	138 152	-	617 009	(197)	-	-	(633 618)	121 346	-
Finished products	5402	for 2019	93 933	-	889 017	(882 538)	-	-	-	100 412	-
	5422	for 2018	97 592	-	37	(787 903)	-	-	784 207	93 933	-
Goods for resale	5403	for 2019	13 239	-	70 026	(43 370)	-	-	-	39 894	-
	5423	for 2018	13 685	-	47 079	(47 431)	-	-	(94)	13 239	-
Goods and finished products shipped	5404	for 2019	14 463	-	160	-	-	-	(14 463)	160	-
	5424	for 2018	-	-	14 463	-	-	-	-	14 463	-
Costs of production in progress	5405	for 2019	2 558	-	-	-	-	-	(776)	1 782	-
	5425	for 2018	4 655	-	-	-	-	-	(2 097)	2 558	-
Other inventories and costs	5406	for 2019	13 045	-	19 753	(15 690)	-	-	-	17 108	-
	5426	for 2018	11 236	-	13 751	(140)	-	-	(11 802)	13 045	-
Deferred expenses (for the objects of analytical accounting, which are reflected in the balance sheet as part of "Inventories")	5407	for 2019	-	-	-	-	-	-	-	-	-
	5427	for 2018	-	-	-	-	-	-	-	-	-
	5408	for 2019	-	-	-	-	-	-	-	-	-
	5428	for 2018	-	-	-	-	-	-	-	-	-

4.2. Pledged inventories

Indicator name	Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Inventories not paid up for the reporting date - total	5440	-	-	-
including:				
	5441	-	-	-
Inventories pledged under the agreement - total	5445	-	-	-
including:				
	5446	-	-	-

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February 20, 2020

5. Accounts receivable and payable
5.1. Availability and flow of accounts receivable

Indicator name	Code	Period	3.1. Availability and now of accounts receivable											
			At the beginning of the year			Changes for the period					At the end of the period			
			accounted for under the terms of the contract	Amount of reserve for doubtful debts	receipt	as a result of business transactions (amount of debt under the transaction.	due interest, penalties and other charges	repay-ment	write-off on financial result	reserve recovery	transfer from long-term to short-term receivable	transfer from accounts receivable to accounts payable	transfer from accounts payable to accounts receivable	accounted for under the terms of the contract
Long-term accounts receivable - total	5501 5521	for 2019 for 2018	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
including: Settlements with buyers and customers	5502 5522	for 2019 for 2018	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Advances paid	5503 5523	for 2019 for 2018	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Other	5504 5524	for 2019 for 2018	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	5505 5525	for 2019 for 2018	- -	- -	- -	- -	- -	- -	- -	X X	X X	X X	- -	- -
	5510 5530	for 2019 for 2018	215 564 185 789	(991) (4 105)	109 914 107 719	- -	(104 217) (70 473)	- 4 357	298 (991)	- -	- -	- -	221 261 215 564	(693) (991)
including: Settlements with buyers and customers	5511 5531	for 2019 for 2018	182 847 144 302	(991) (4 105)	74 858 73 696	- -	(75 269) (27 681)	- 4 357	298 (991)	- -	- -	- -	182 435 182 847	(693) (991)
Advances paid	5512 5532	for 2019 for 2018	22 465 21 484	- -	19 312 15 844	- -	(18 670) (14 864)	- -	- -	- -	- -	- -	23 106 22 465	- -
Other	5513 5533	for 2019 for 2018	10 252 20 003	- -	15 744 18 178	- -	(10 277) (27 929)	- -	- -	- -	- -	- -	15 719 10 252	- -
	5514 5534	for 2019 for 2018	- -	- -	- -	- -	- -	- -	- -	X X	X X	X X	- -	- -
	5500 5520	for 2019 for 2018	215 564 185 789	(991) (4 105)	109 914 107 719	- -	(104 217) (70 473)	- 4 357	298 (991)	X X	X X	X X	221 261 215 564	(693) (991)

5.2. Overdue receivables

Indicator name	Code	As of December 31, 2019		As of December 31, 2018		As of December 31, 2017	
		accounted under the terms of the contract	book value	accounted under the terms of the contract	book value	accounted under the terms of the contract	book value
Total		693	693	991	991	4 357	4 357
including:							
Settlements with buyers and customers	5541	693	693	991	991	4 357	4 357
Settlements with buyers and customers (with regards to advance payments, prepayments)	5542	-	-	-	-	-	-
other	5543	-	-	-	-	-	-
	5544	-	-	-	-	-	-

5.3. Availability and flow of accounts payable

Indicator name	Code	Period	Balance at the beginning of the year	Changes for the period				transfer from accounts receivable to accounts payable	transfer from accounts payable to accounts payable	Balance at the end of the period
				receipt	due interest, penalties and other charges	repayment	write-off on financial result			
				as a result of business transactions (amount of debt under the transaction, operation)						
Long-term accounts payable - total	5551	for 2019	-	125 716	-	(125 716)	-	-	-	-
	5571	for 2018	8 264	2 019	-	(10 283)	-	-	-	-
including:										
credits	5552	for 2019	-	125 716	-	(125 716)	-	-	-	-
	5572	for 2018	8 264	2 019	-	(10 283)	-	-	-	-
loans	5553	for 2019	-	-	-	-	-	-	-	-
	5573	for 2018	-	-	-	-	-	-	-	-
other	5554	for 2019	-	-	-	-	-	-	-	-
	5574	for 2018	-	-	-	-	-	-	-	-
	5555	for 2019	-	-	-	-	-	-	-	-
	5575	for 2018	-	-	-	-	-	-	-	-
Short-term accounts payable - total	5560	for 2019	390 730	157 381	-	(203 920)	-	-	-	344 191
	5580	for 2018	528 097	175 806	-	(313 173)	-	-	-	390 730
including:										
Settlements with suppliers and contractors	5561	for 2019	44 467	101 414	-	(95 130)	-	-	-	59 646
	5581	for 2018	228 379	43 715	-	(227 627)	-	-	-	44 447
Advances received	5562	for 2019	8 649	4 026	-	(6 798)	-	-	-	5 876
	5582	for 2018	2 739	11 583	-	(5 673)	-	-	-	8 649
Settlements in respect of taxes and levies	5563	for 2019	22 184	13 403	-	(7 142)	-	-	-	28 445
	5583	for 2018	1 327	55 798	-	(34 941)	-	-	-	22 184
credits	5564	for 2019	-	-	-	-	-	-	-	-
	5584	for 2018	-	-	-	-	-	-	-	-
loans	5565	for 2019	312 882	15 676	-	(79 858)	-	-	-	248 700
	5585	for 2018	288 820	56 005	-	(31 943)	-	-	-	312 882
other	5566	for 2019	2 548	13 967	-	(14 991)	-	-	-	1 524
	5586	for 2018	6 833	8 705	-	(12 990)	-	-	-	2 548
	5567	for 2019	-	-	-	-	-	-	-	-
	5587	for 2018	-	-	-	-	-	-	-	-
Total	5550	for 2019	390 730	283 097	-	(329 636)	-	X	X	344 191
	5570	for 2018	536 361	177 825	-	(323 456)	-	X	X	390 730

5.4. Overdue accounts payable

Indicator name	Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Total	5590	-	-	-
Including:				
Settlements with suppliers and contractors	5591	-	-	-
Settlements with buyers and customers	5592	-	-	-
	5593	-	-	-

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6. Production costs

Indicator name	Code	for 2019	for 2018
Material costs	5610	778 509	635 173
Labor costs	5620	52 149	41 692
Deductions for social needs	5630	14 132	11 420
Depreciation	5640	32 148	28 680
Other costs	5650	168 326	242 068
Total by items	5660	1 045 264	959 033
Change in balances (increase [-]): production in progress, finished products, etc.	5670	-	-
Change in balances (decrease [+]): production in progress, finished products, etc.	5680	5 863	5 756
Total normal business expenses	5600	1 051 127	964 789

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7. Estimated liabilities

Indicator name	Code	Balance at the beginning of the year	Accepted	Repaid	Written-off as excess amount	Balance at the end of the period
Estimated liabilities - total	5700	5 889	4 136	(2 454)	-	7 572
including:						
RESERVE FOR VACATIONS PAYMENT	5701	5 889	4 136	(2 454)	-	7 571
GOODS IN TRANSIT TO WAREHOUSE	5702	-	-	-	-	-
GOODS IN TRANSIT AND FIXED ASSETS	5703	-	-	-	-	-

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 February 20, 2020

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8. Security for obligations

Indicator name	Code	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Obtained - total	5800	-	-	-
including:				
	5801	-	-	-
Granted - total	5810	-	-	-
including:				
	5811	-	-	-

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February 20, 2020

9. State aid

Indicator name	Code	for 2019		for 2018
Budget funds received - total	5900			-
including:				
for current expenses	5901			-
for investments in non-current assets	5905			-
		At the beginning of the year	Received for the year	At the end of the year
Budget credits - total				
including:				
for 2019	5910	-	-	-
for 2018	5920	-	-	-
for 2019	5911	-	-	-
for 2018	5921	-	-	-

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**EXPLANATORY NOTES
TO THE BALANCE SHEET AND STATEMENT OF FINAN-
CIAL RESULTS**

***Global Colors
Limited Liability Company***

for the year 2019

These Explanatory Notes to the Balance Sheet and Statement of Financial Results are an integral part of the financial statements of Global Colors Limited Liability Company (abbreviated name Global Colors LLC) for the year 2019.

GENERAL INFORMATION

Description of the Company

Global Colors LLC (the "Company") is as a company with 100% foreign investment.

The Charter Capital amounts to RUB 211,350,175. The sole participant of the Company is RTL (Rainbow technologies limited). The Charter Capital has been fully paid.

On January 9, 2019 the Company was restructured by a merger with a subsidiary Modern Plant LLC.

As of 31/12/2019 the Balance Sheet of the Company presents assets, liabilities and equity including the data of the merged Modern Plant LLC.

The comparative data as at the dates preceding the merger do not include information about the assets, liabilities and equity of the merged Modern Plant LLC.

As a result of the Company's merger with Modern Plant LLC, the value of the fixed assets increased by RUB 168,673,424 (at net book value), the Charter Capital increased and is equal to the total of charter capitals of the entities included in the reorganization at RUB 211,350,175.

Registered office of the Company (place of business)

The Company is registered at the following address:

Registered office: 196655, Saint-Petersburg, Kolpino, Izhora Factory, house 87, building 2, lit. A.
The mailing and registered addresses are be the same.

Governing bodies

Composition of executive and controlling bodies of the Company

Full name	Position
1) Papadopoulos Eftychios	Director General

Board of Directors:

- 1) MICHAEL LEBIDAKIS
- 2) Papadopoulos Eftychios
- 3) Emanuel LEBIDAKIS
- 4) Valergakis Giorgos
- 5) Florin Tonescu

The ultimate beneficiary of the Company is Plastika Kritis, a stock company which owns RTL.

Description of the Company's activities

The core business activity of the Company is production of chemical stains for polymer modification.

Branches and representative offices (territorial standalone subdivisions) of the Company

As of 31/12/2019, the Company has standalone subdivisions (town of Mytischki, town of Krasnodar).

Number of employees of the Company

The average staff number of the Company is 101 employees in 2019, 93 employees in 2018 and 89 employees in 2017.

SIGNIFICANT ACCOUNTING POLICY AND PRESENTATION OF INFORMATION IN THE FINANCIAL STATEMENTS

The annual financial statements of the Company are prepared in accordance with Federal Law No. 402-FZ "On Accounting" dated December 6, 2011, Regulations for Accounting and Reporting in the Russian Federation approved by Order No. 34n of the Ministry of Finance of the Russian Federation dated July 29, 1998, Accounting Regulations "Financial Statements of the Company" (Accounting Regulations 4/99) approved by Order No. 43n of the Ministry of Finance of the Russian Federation dated July 6, 1999, as well as other regulative documents included into the system of regulation of accounting and reporting activities of companies in the Russian Federation. The annual financial statements of the Company is developed based on the going concern assumption.

The Accounting Policy of the Company is approved by the Order dated 31/12/2018.

Key accounting and reporting methods applied by the Company

1. The useful economic life for fixed assets is determined based on the Classification of Fixed Assets Included into Amortization Groups approved by Decision No. 1 of the Government of the Russian Federation dated January 1, 2002.
2. Fixed assets and intangible assets are depreciated/amortized on a straight-line basis.
3. Inventory is accounted for based on target prime and actual costs with the use of accounts 15 and 16.
4. Upon disposal, inventories are measured at average cost.
5. Provisions are set up for bad debts.
6. Provisions are set up for unused vacations.
7. Fixed assets are not subject to revaluation.
8. Finished products are measured at reduced production cost based on direct costing with the use of account 43 "Finished Products" without the use of account 40 "Issue of Products".
9. The main accounting software is SAP.
10. Cash flows denominated in foreign currency are translated into roubles at the official exchange rate of such foreign currency established by the Central Bank of the Russian Federation as of the date of effecting or receipt of a payment.
11. The financial statements are created based on the Accounting Regulations effective in the Russian Federation (clause 25 of Accounting Regulations 4/99)
12. The Company applies an internally developed chart of accounts.

Correction of errors, changes in the accounting policies, reporting

The Company corrects substantial errors of the preceding financial year retrospectively. Interim financial statements are prepared by the Company when it must do it under the law of the Russian Federation, regulative documents issued by accounting regulators, contracts, founding documents, decisions

of the owner (part 4 as amended by Federal Law No. 251-FZ dated 23/07/2013). In other cases, interim financial statements are prepared upon the owner's request.

Specific features of inventory accounting with the use of accounts 15 to 16*

Tangible assets are recorded based on target book prices. Acquired tangible assets are accounted for using the group of accounts 16* "Deviation in value of tangible assets". Accounts 16* "Deviation in value of tangible assets" are designed to integrate information on differences in the cost of acquired and manufactured inventories, estimated in terms of actual cost of acquisition and book prices, as well as on the data indicative of sum differences. All inventories are posted based on target book prices (the "standard prices") and average prices with the breakdown into item numbers and warehouses. Standard price is determined as actual price set as of the end of the next-to-last month preceding the accounting month. For new inventories that have never been posted in the Company, the standard price is determined in a judgement-based manner using the following procedure: for newly received materials (raw materials), based on the cost of the first supply excluding VAT, for the products within the range of prices from RUB 40 to 300 per 1,000 production units, based on the price group of similar items, for faulty products (scrap material) within the range of prices from RUB 7 to 40 per 1,000 production units. During the period of introduction of the accounting policy with the use of accounts 15/16*, when applying standard prices for on-the-books inventory items for the first time, the average book price as of the last reporting date is recognized as the standard one before transition to a new accounting policy.

Upon acquisition of inventories by the Company, they are recorded at standard prices using the Inventory Debit Account entry (10*, 41*) Credit 15*, while the difference between the actual and standard production cost is charged in correspondence of accounts 15* and 16* "Deviation in value of tangible assets" (Debit 15* (16*) Credit 16* (15*)). However, the debit side of account 15* shows actual costs for acquisition of materials with no regard for extra expenses which, in turn, get accumulated on the debit side of account 16*. The balance of account 15* at month end, depending on the sign, shows availability of materials in transit or indicates a non-invoiced supply. At the end of each month the difference between the accounting price of materials and actual cost of their acquisition is debited from account 16* to account 10*. This difference can be either positive or negative.

Accounting estimate procedure

Inventories recognized upon disposal are estimated based on the weighted-average production cost (the "average cost"). The average-cost-based calculation is carried out by dividing the total production cost of the stock category by their quantity which is a combination of the production cost and stock balance at the beginning of the month and the stock received in the course of a month. Stock categories are classified based on item numbers and warehouses. The total production cost is a combination of the sum of costs calculated based on the standard price and the difference between the standard and the actual price of incoming delivery including foreign exchange difference arising from translation of inventories into reporting currency. The calculation is performed separately for each item number and warehouse. The standard price is re-established on the first of every month based on turnovers 1601(2)0001 in correspondence of inventory accounts. In the course of a month all operations associated with inventory movement are carried out at the standard price. For incoming deliveries of inventories 1601(2)0000 accounts are opened to recognize the difference between the standard and the actual price. The standard price is calculated on the last calendar day of the month upon completion of all transactions. Upon determination of the standard price all inventory movements for month are revaluated including incoming deliveries, transfers, retirements and balances of inventories at month end on the debit side of account 16* in correspondence of inventory accounts. At the month end, accounts 1602(1)0000(2,3,4,5) have zero balance, so they are settled by debiting accounts 1602(1)0001 with the use of closing turnovers at the end of the month. Thus, inventory balances at the end of the month are recognized at the actual cost in the average accounting estimate.

Stock-taking at warehouses

In the course of a month, finished products and materials are recorded based on target book prices (the "standard prices"). Since the cost of inventory items during stock-taking is recognized at standard prices, at the date of identifying any shortage/surplus, the company debits the cost of standard-estimate inconsistencies to the deviation ledger account. The amount of damage /proceeds is revalued to the actual cost at the end of the month. The share of expenses that include inventory cost deviations and shortage-related ordering costs is recognized based on the correspondence of accounts 94/ 16.

Chart of accounts

The Company has internally developed a chart of accounts which is a part of its accounting policy. Accounts (ledgers) do not have any subaccounts. Synthetic and analytical records are encoded in the account number; account codes are explained in the chart of accounts.

Simplified write-off of certain categories of inventories

As the nature of the company's activities does not suggest any substantial balances of low-value inventories, non-durable items, as well as special clothing and disposable commodities and materials costing less than RUB 40 thousand per item, the information on the availability of which in the company's accounting records cannot influence decisions of users of such records (clause 13.2 introduced by order No. 64n of the Ministry of Finance of Russia dated 16/05/2016), it is established by the company that the expenses for acquisition of such inventories are included in the expenses on ordinary operations as inventories are acquired and expenses are incurred. Other categories of inventories posted under general rules, irrelevant to their cost, are listed in Appendix No. 1 to the accounting policy (item numbers used in logistic activities).

Vacations reserve

The company accrues a vacation reserve in its accounting records in accordance with Accounting Regulations 8/2010 and in tax accounting records in accordance with article 324 1 chapter 25 of the Tax Code of the Russian Federation. Special statement of estimates is drawn up to account for the vacation reserve (Appendix No. 2 to the Accounting Policy). Estimated liability in the context of the coming vacation compensation is determined yearly as of December 31. In the current calendar year funds for vacation compensation are reserved on a monthly basis as a certain percent of the salary budget for the current month. Percentage of allocations to the reserve is determined as the ratio of the estimated annual amount of vacation compensation expenses to the estimated annual amount of the staff costs including insurance payments. Such percentage is calculated yearly as of December 31 with the calculation result reflected in the statement of estimates (Appendix No. 3 of the Accounting Policy).

Intangible assets accounting

It is established that amortization charges for intangible assets are determined on a straight-line basis. It is established that intangible assets are not subject to revaluation. Intangible assets **are not** tested yearly for impairment under the procedure determined in International Financial Reporting Standards. The useful life of intangible assets is determined by the company internally, however, it should be at least 24 months.

Exchange difference accounting

The write-off of exchange differences associated with foreign currency transactions is carried out directly for the financial result of the company's activities (account 91 "Other revenues and expenses") as transactions are performed and for each reporting date, i.e. at the end of each month. Revaluation of cash in hand and on bank accounts (deposits) denominated in foreign currency is carried out with the change of exchange rates. Revenues and expenses denominated in foreign currencies that make up the financial results of business outside the Russian Federation are translated into roubles at the official exchange rate of such currency set by the Bank of Russia effective at the date of such transaction; for administrative purposes, exchange differences are divided into realized and non-realized differences and calculated for each document separately. Exchange differences are charged to foreign exchange liabilities as of the end

of the accounting period; during the period, exchange differences are charged to the liability "movement" and "evened" as non-realized difference at the reporting date in correspondence with off-balance sheet accounts 6**99*.

VAT accounting policy, advances from customers

As payments for goods and products are made on the basis of invoices made as provisional commercial proposals with an option to cancel and review the amount and/or the quantity which are not subject to accounting, at the date of receipt of funds from the customers there is no certainty for classification of such cash as prepayment (advance) or payment in arrears; the advance amount from customers is determined at the end of the quarter based on results of reconciliation with customers. With that, a reversal entry 6201/6202 is made and VAT payable to the budget is accrued on the advance payment. Tax invoices are issued for the advance.

Cost accounting

Cost accounting is arranged on a cost-center basis. The list of cost centers is given in Appendix No. 4 to the Accounting Policy. Account 500* serves to record direct and indirect production and general production expenses recognized within the cost of products, works, services. Direct production expenses include raw materials and supplies which form the basis of the products; salaries of employees directly involved in the production process, as well as related mandatory insurance contributions; depreciation accrued for fixed assets directly used in the production of goods (works, services); expenses on maintenance and spare parts; expendable materials for production, packaging of products, cleaning of production machines, leasing of production premises; other production expenses. Indirect general production expenses include salaries of employees directly involved in the general production process, as well as related mandatory insurance contributions; depreciation accrued for general production fixed assets; expenses on maintenance of equipment and spare parts used for general production purposes; expendable materials for general production needs; packaging of products and other materials for sale; leasing of production premises; other general production expenses. Direct and indirect production expenses are included into the cost of sales of the products. Direct expenses are allocated based on item numbers of the products pro rata the time spent when using the equipment for production of such type of products. Indirect expenses are allocated based on item numbers pro rata the volume of the products manufactured. Accounts 501*, 504* (quality control, laboratory) serve to record management costs including administrative costs; costs on general administrative staff not engaged in production process; depreciation charges and expenses for repair of administrative and general business fixed assets; leasing of general administrative premises; information, auditing, consulting and other services; representation expenses for general administrative needs; company-wide taxes; other similar expenses incurred in the process of corporate management and driven by the need to maintain the company as the unified financial property complex; product quality control, quality management, laboratory. Account 502* serves to record commercial expenses associated with the sale of goods, products, works and services including the package filling and production units packaging at regional warehouses of finished products; delivery of products to the location for subsequent shipment to the buyer; wagon, craft, car loading including other transport facilities; fees paid to sales and other facilitating agencies; maintenance of premises for storage of products at the points of sale, lease, warehousing; sales staff costs; analysis of products upon their release; advertising; representation expenses associated with sales of products; storage, delivery of goods to central warehouses (depots) and transportation (shipment) of goods (in sales agencies); insurance of shipped goods, products and commercial risks; coverage of shortage of goods (products) within the limits of the norms of natural loss; other similar expenses. Account 503* serves to record other financial expenses including exchange differences, banking service expenses and other similar expenses.

Determination of financial results of business activities, expenses write-off procedure

Financial results are determined cumulatively on a monthly basis. To determine the financial result, the following procedure of accounting of direct, general production, general business, administrative and commercial expenses is established: in the course of a period expenses are accumulated on accounts with codes 31*,32*,33*,34*,35* on the debit side of accounts for related analytical cost centers. Turnovers of

accounts 31*-35* with the 500* cost center on the debit side are charged to cost of sales via mirror accounting entries from the credit side of account 39* with the use of controlling off-balance accounts. Other expenses not included into the cost of sales are accumulated on accounts 31*-35* with 501*-504* cost centers and are subject to write-off for the financial result in the technical period (beyond the calendar year). Thus, as of the beginning of the next year the balance of the cost accounts is zero. The interim financial result is determined cumulatively as a debit turnover on accounts 9002*, 912*, 32*-35* with 501-504* cost centers, credit turnovers on accounts 90* 91* 94.

Recognition of revenues and expenses in the accounting and tax accounting records.

The company identifies revenues and expenses in profit tax assessment on an accrual basis. Revenues are recognized in tax accounting records under article 271 clause 3 of the Russian Tax Code. In the accounting records, revenues are recognized under Accounting Regulations 9/99 "Revenues of the Company".

Methods of fixed assets accounting

The useful life of fixed assets including those recorded as income-bearing investments in tangible assets is determined by the company internally for each item of fixed assets based on the period established for the related depreciation group as approved by Decree No. 1 of the Government of the Russian Federation dated 01/01/2002. Depreciation is accrued on a straight-line basis.

Amendments to the Accounting Policies

In the year following the reporting year, no amendments to the Accounting Policy that may materially affect figures in the accounting reports have been made.

DISCLOSURE OF SIGNIFICANT BALANCES AND TRANSACTIONS

Operating segments, 2019

	TOTAL	WHITE	ADDITIVES	PIGMENTS	DARK	PIGMENTED
		INCLUDING	INCLUDING	INCLUDING	INCLUDING	INCLUDING
Sales of finished products (tons)	6,211.83	2,835.14	818.025	183.715	26.871	2,348.07
Sales merchandise (tons)	451.02	0.05	0.525	82.78	367.54	0.13
Total sales (tons)	6,662.85	2,835.19	818.55	266.495	394.411	2,348.20
Finished products turnover	1,214,724,644.89	435,322,637.94	179,917,174.01	9,798,682.65	3,884,587.33	585,801,562.96
Revenues from sale of products	1,214,724,644.89	435,322,637.94	179,917,174.01	9,798,682.65	3,884,587.33	585,801,562.96
Merchandise turnover	50,482,615.43	18,356.68	275,656.41	3,303,064.87	46,852,702.09	32,835.38
Revenues from sale of goods	50,482,615.43	18,356.68	275,656.41	3,303,064.87	46,852,702.09	32,835.38
Finished products cost of sales	882,293,803.10	361,167,911.59	123,556,314.56	7,827,916.02	3,814,030.40	385,927,630.53
RAW MATERIALS	735,875,466.51	321,209,605.67	96,504,863.70	5,174,296.55	2,497,953.17	310,488,747.42
SLARIES AND SOCIAL CHARGES	38,960,680.58	3,805,637.68	9,185,940.03	247,590.05	528,290.99	25,193,221.83
SLARIES AND SOCIAL CHARGES	25,084,084.95	3,815,441.74	3,596,331.96	214,392.79	254,328.67	17,203,589.79
UTILITIES, DIRECT	20,972,482.12	8,728,125.50	3,040,577.54	654,715.69	172,038.91	8,377,024.48

EXPENDABLE MATERIALS, DIRECT	4,270,637.43	1,088,779.23	255,533.67	64,623.94	53,555.14	2,808,145.45
EXPENDABLE MATERIALS, INDIRECT	10,770,292.28	4,543,768.99	1,503,057.28	260,062.94	65,713.09	4,397,689.98
PACKAGING, DIRECT	5,468.50	602.85	7.11	0.01	0.00	4,858.53
PACKAGING, INDIRECT	0.00	0.00	0.00	0.00	0.00	0.00
OTHER EXPENSES, INDIRECT	9,081,558.82	3,780,893.98	1,264,457.72	232,203.27	55,160.86	3,748,842.99
LEASING, DIRECT	0.00	0.00	0.00	0.00	0.00	0.00
LEASING, INDIRECT	3,177,894.87	1,326,604.58	418,662.33	153,792.84	15,859.51	1,262,975.61
DIRECT DEPRECIATION	6,378.78	703.26	8.27	0.01	0.00	5,667.24
INDIRECT DEPRECIATION	32,064,506.72	12,069,195.68	7,497,386.32	769,539.38	158,698.18	11,569,687.16
CLEANING	150.76	0.06	0.11	0.01	0.00	150.58
MAINTENANCE AND SPARE PARTS	1,729.90	190.77	2.20	0.01	0.00	1,536.92
MAINTENANCE AND SPARE PARTS	2,022,470.88	798,361.60	289,486.32	56,698.53	12,431.88	865,492.55
Cost of sales	42,345,264.94	14,150.32	201,414.90	2,723,989.07	39,381,819.04	23,891.61
Gross profit from finished products	332,430,841.79	74,154,726.35	56,360,859.45	1,970,766.63	70,556.93	199,873,932.4
Gross profit from sales of products	332,430,841.79	74,154,726.35	56,360,859.45	1,970,766.63	70,556.93	199,873,932.4
Gross profit from trading	8,137,350.49	4,206.36	74,241.51	579,075.80	7,470,883.05	8,943.77
Gross profit from sales of materials	8,137,350.49	4,206.36	74,241.51	579,075.80	7,470,883.05	8,943.77

Revenues from sale of goods, products, works and services

Revenues from sale of goods, products, works and services for 2019 amounts to RUB 1,265,318 thousand excluding VAT.

Description	Sales for the 4th quarter of 2019	Share in total amount, %	Sales for the 3rd quarter of 2019	Share in total amount, %	Sales for the 2nd quarter of 2019	Share in total amount, %	Sales for the 1st quarter of 2019	Share in total amount, %
	Amount excluding VAT		Amount excluding VAT, RUB		Amount excluding VAT, RUB		Amount excluding VAT, RUB	
Total, incl.	342,103,663.28	100.00	340,552,803.13	100.00	324,067,854.33	100.00	258,593,539.58	100
Sales in the territory of the Russian Federation 18%	312,892,168.83	91.47	307,254,138.33	90.29	291,268,566.94	89.97	239,117,956.57	92.47
Sales at the rate of 0%	29,211,494.45	8.53	33,298,664.80	9.71	32,799,287.39	10.03	19,475,583.01	7.53
incl. within the bounda-	28,332,996.50	8.27	30,879,510.70	9.00	31,440,362.21	9.62	19,475,583.01	7.53
non-EAEU	878,497.95	0.26	2,419,154.10	0.71	378,508.87	0.12		0.00
South Ossetia					980,416.31	0.30		

Revenues from sale of goods, products, works and services for 2018 amounts to RUB 1,111,402 thousand excluding VAT.

Description	Sales for the 4th quarter of 2018	Share in total amount, %	Sales for the 3rd quarter of 2018	Share in total amount, %	Sales for the 2nd quarter of 2018	Share in total amount, %	Sales for the 1st quarter of 2018	Share in total amount, %
	Amount excluding VAT, RUB		Amount excluding VAT, RUB		Amount excluding VAT, RUB		Amount excluding VAT, RUB	
Total incl.	343,071,294.08	100	298,075,743.48	100.00	255,095,155.96	100	218,678,567.13	100
Sales in the territory of the Russian Federation 18%	316,936,631.40	92.38	277,258,441.09	93.02	236,395,699.82	92.67	202,141,788.94	92.44
Sales at the rate of 0% incl. within the bounda-	26,134,662.68	7.62	20,817,302.39	6.98	18,699,456.14	7.33	16,536,778.19	7.56
	23,555,326.42	6.87	19,940,702.89	6.69	17,518,996.15	6.87	14,050,078.45	6.42
South Ossetia	2,579,336.26	0.75	876,599.50	0.29	1,180,459.99	0.46	2,231,111.92	1.02
Turkey							255,587.82	0.12

Revenues in 2019 increased by 20% as compared to the year 2018 due to increased sales.

Other income and expenses

Line item	2019, RUB	2018, RUB
Other income, incl.	108,655,579	192,182,883
Foreign exchange gain	104,358,057	189,465,900
Surpluses identified during stock-taking	44,030	188,637
Income from sales of assets	2,527,579	1,165,757
Other income	1,758,913	1,362,589
Other expenses, incl.	59,001,590	266,628,084
Foreign exchange loss	48,916,856	252,827,474
Bad debts reserve	1,004,338	703,977
Shortages identified during stock-taking	49,919	140,915
Cost of materials sold		196,612
Banking services	2,919,001	2,358,488

Other expenses	6,111,476	10,400,618
<i>Interest payable on loans</i>	13,654,801	12,721,920

Expenses on ordinary activities

Cost items	for 2019, RUB	for 2018, RUB
Material costs	778,509,448	635,173,190
Staff costs	52,148,681	41,692,458
Social contributions	14,132,079	11,419,847
Depreciation	32,148,499	28,680,357
Other costs	168,325,829	242,068,213
Total for elements	1,045,264,537	959,034,064
Movement of balances (reduction [+]): work in progress, finished products, etc.	5,862,804	5,756,000
Total on ordinary activities	1,051,127,341	964,789,064

Material costs in 2019 increased by 14% as compared to the year 2018 due to production expansion.

Taxation

Profit tax

In accordance with Accounting Regulations "Profit Tax Accounting" (AR 18/02), the Company recorded the following indicators (RUB) in its books and in the Statement of Financial Results for the year 2019:

	2019	2018
Profit (loss) before tax (20%)	250,884,531	60,254,676
Theoretical income tax expense	(12,050,735.20)	(50,176,906.33)
Permanent tax liabilities	(1,948,499.31)	(2,450,992.22)
Deferred tax liabilities	(1,131,392.89)	(819,250.97)
Current profit tax	(53,256,798.54)	(15,320,978.39)
Net profit for the reporting period	198,758,126	45,752,948
Profit or loss from other operations, not included in net profit (loss) for the period (net loss from the merged Modern Plant LLC)	(45,649,419)	
Gross financial result for the period	153,109,704	45,752,948

Related party disclosure

Related party	Entity's interest in the Charter Capital of the Company
Name: Papadopoulos Eftychios Grounds: the person exercising the powers of the chief executive of the Company	0.00%
Name: RTL (Rainbow technologies limited) Grounds: the entity is the founder of the Company	100.00%
Name: Plastika Kritis Grounds: the entity is a part of the same group as the Company	0.00%
Name: Romocolor Grounds: the entity is a part of the same group as the Company	0.00%
Name: GLOBAL COLORS POLSKA S.A. Grounds: the entity is a part of the same group as the Company	0.00%
Name: SENKROMA Grounds: the entity is a part of the same group as the Company	0.00%
Name: SHANGHAI HiTeC PLASTICS CO.,LTD. Grounds: the entity is a part of the same group as the Company	0.00%
Name: Modern Plant LLC. Grounds: the entity is a part of the same group as the Company	0.00%

Related party transactions:

Settlements with related parties, including the year 2018:

No.	Type of relationship/operations with related entities	Result			Description of transactions, amount (RUB) 2018
		Related party	Type of relationship (control/influence)	Information confirming categorization of the related party	
1.	Legal entities and individuals entitled to dispose of more than 20% of total votes attributable to voting shares in the charter (share) capital of your company or contributions (units) comprising the charter (share) capital	RTL	Founder, 100% interest, short-term loan Interest accrued on loans	Minutes of the meeting of founders, charter	No operations RUB 884,951
2.	Legal entity in which your company is entitled to dispose of more than 20% of total votes attributable to voting shares in the charter (share) capital or contributions (units) comprising the charter (share) capital	No			
3.1	A party which, directly or indirectly (through third parties) has a significant influence on your company, including an individual who ultimately directly or indirectly (through third parties) owns (has dominant participation in the charter capital of your company of over 25%) your company (beneficial owner)	No			

3.2	A party which, directly or indirectly (through third parties) has a significant influence on your company, including an individual who ultimately directly or indirectly (through third parties) owns (has dominant participation in the charter capital of your company of over 25%) your company (beneficial owner)	No			
4.	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.	Name: GLOBAL COLORS POLSKA S.A. Grounds:	Purchase of goods	N/A	No operations
	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.	PLASTIKA KRITIS S.A.	Purchase of goods, equipment, services for technical support, payment of interest on commodity loan for scrap equipment. Sale of scrap material (production waste) Payment of interest on commodity loan Sale of fixed assets Purchase of technical services (software licenses, etc.)	N/A	Goods RUB 43,558,863 Raw materials RUB 4,290,804 Commodity loan interest RUB 930,193 RUB 1,752,365 RUB 1,872,953
	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under	ROMCOLOR	Purchase of technical consulting services	N/A	No operations

	article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.	SHANGHAI HITEC PLASTICS CO., LTD.	Film acquisition	N/A	No operations
	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.	Modern Plant LLC	Lease	Contribution to the Authorized Capital	RUB 41,556,925 including VAT
	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.	SENKROMA	Sale of fixed assets	N/A	RUB 255,587.82
5.	Members of the Board of Directors (Supervisory Board) or other collective governing body	1) MICHAEL LEBIDAKIS 2) Papadopoulos Eftychios 3) Emanuel LEBIDAKIS 4) Valergakis Giorgos 5) Florin Tonescu	Board of Directors	Minutes of the meeting	No operations
6.	Members of collective executive body and persons exercising powers of a sole executive body of your company	Papadopoulos Eftychios	Director General	Employment agreement	RUB 3,004,454

7.	If your Company is a member of a financial and industrial group, members of Boards of Directors (Supervisory Boards) or other collective governing bodies, collective executive bodies of members of financial and industrial groups, and persons exercising powers of sole executive bodies of members of the financial and industrial group	No			
8.	Legal entity and (or) individual registered as an individual entrepreneur with whom your company carries out joint operations	No			
9.	Non-State pension fund acting for the benefit of employees of your company or other company being a related party of your company	No			
Entity name		Transaction	Payables as of the end of 2018	Maturity dates (plan)	
PLASTIKA KRITIS S.A.		Due for goods, services and equipment	RUB 8,243,751	31/12/2019	

Settlements with related parties including the year 2019:

No.	Type of relationship/operations with related parties	Result			Description of operations, amount (RUB) 2019
		Related party	Type of relationship (control/influence)	Information confirming categorization of the related party	

1.	Legal entities and individuals entitled to dispose of more than 20% of total votes attributable to voting shares in the charter (share) capital of your company or contributions (units) comprising the charter (share) capital	RTL	Founder, 100% involvement (stake), Short-term loan Interest accrued on loans	Minutes of the meeting of founders, charter of association	No operations RUB 4,288,315.11
2.	Legal entity in which your company is entitled to dispose of more than 20% of total votes attributable to voting shares in the charter (share) capital or contributions (units) comprising the charter (share) capital	No			
3.1	A party which, directly or indirectly (through third parties) has a significant influence on your company, including an individual who ultimately directly or indirectly (through third parties) owns (has dominant participation in the charter capital of your company of over 25%) your company (beneficial owner)	No			
3.2	A party which, directly or indirectly (through third parties) has a significant influence on your company, including an individual who ultimately directly or indirectly (through third parties) owns (has dominant participation in the charter capital of your company of over 25%) your company (beneficial owner)	No			
4.	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under	Name: GLOBAL COLORS POLSKA S.A. Grounds:	Acquisition of goods Sale of fixed assets	N/A	

	article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.				RUB 2,419,154.10
	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.	PLASTIKA KRITIS S.A.	Purchase of goods, equipment, services for technical support, payment of interest on commodity loan for equipment. Sale of scrap material (production waste) Purchase of fixed assets Purchase of technical services (licenses, programs etc.)	N/A	Goods RUB 41,840,797.39 Raw materials RUB 2,686,665.70 RUB 3,394,063.50 RUB 2,179,944.81
	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.	ROMCOLOR	Purchase of technical consulting services	N/A	No operations
	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.	SHANGHAI HiTeC PLASTICS CO.,LTD.	Film acquisition	N/A	No operations
	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under	Modern Plant LLC	Organizational change	Minutes of the meeting of founders, charter	RUB 266,218,891.12

	article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.				
	Legal entities and individuals which are a part of the same group of entities as your company. A group of entities is defined under article 9 of Federal Law No. 135-FZ "On Protection of Competition" dated 26/07/2006.	SENKROMA	Fixed assets sale	No data	No operations
5.	Members of the Board of Directors (Supervisory Board) or other collective governing body	1) MICHAEL LEBIDA-KIS 2) Papadopoulos Eftychios 3) Emanuel LEBIDA-KIS 4) Valergakis Giorgos 5) Florin Tonescu	Board of Directors	Minutes of the meeting	No operations
6.	Members of collective executive body and persons exercising powers of a sole executive body of your company	Papadopoulos Eftychios	Director General	Employment agreement	RUB 3,306,355
7.	If your Company is a member of a financial and industrial group, members of Boards of Directors (Supervisory Boards) or other collective governing bodies, collective executive bodies of members of financial and industrial groups, and persons exercising powers of sole executive bodies of members of the financial and industrial group	No			
8.	Legal entity and (or) individual registered as an individual entrepreneur with whom your company carries out joint operations	No			
9.	Non-State pension fund acting for the benefit of employees of your company or other	No			

Entity name	company being a related party of your company		Transaction	Payables as of the end of 2019	Maturity dates (plan)
PLASTIKA KRITIS S.A.			Due for related to goods, services and equipment	RUB 11,112,891.37	31/12/2020

Estimated liabilities

The Company creates estimated liabilities associated with payment for annual vacations. Estimated liabilities accrued for the reporting period are recognized as expenses on ordinary activities.

Contingent liabilities

The Company acts as one of the parties to several court proceedings that take place in the ordinary course of business. Currently existing claims or actions cannot significantly affect the Company's activities or its financial position. The Company does not secure third party liabilities.

Events after the reporting date

During the period after the reporting date and up to the time of signing the financial statements, there were no business transactions which materially affected or can materially affect the financial position, cash flows or performance of the Company for the year 2019.

Information on environmental activities of the company

The Company removes production and domestic waste from business premises to a waste landfill. In 2019 the environmental impact fee was calculated. The duty for the permit of emission of hazardous (contaminating) substances to the air from fixed sources of environmental pollution located at business and other facilities not subject to federal environmental control has been paid in a timely fashion.

The Company takes measures to ensure normal working conditions for its employees. Special-purpose clothing and protective means are purchased and distributed among employees. Medical examination procedures are arranged at regular intervals.

Information on monetary funds and foreign exchange rates at the reporting date

As of 31/12/2019 the exchange rate of EURO to ruble was 69.34 and the exchange rate of US Dollar to ruble was 61.91; there are no liabilities in other foreign currencies as of 31/12/2019. At the reporting date, there is an ability to borrow extra funds. At the reporting date there are no significant amounts of cash and cash equivalents restricted for use by the Company.

Information on planned development of the company:

The Company plans to increase production in 2020 up to 10,000 thousand kilograms per year based on the commissioned eighth production line and modernization of other lines.

General Director

Papadopoulos E.

Date 20.02.2020

Numbered and stitched up

51 fifty one sheets

Crowe Expertiza LLC,
North West Regional Branch
Director



S. Davydov