

Ref. No. 3863-01/02/A3-17

**AUDITOR'S REPORT**

by Rosexpertiza LLC independent  
audit company  
on the accounting 9financial statments  
of GLOBAL COLORS LLC for 2017

To participants of GLOBAL COLORS Limited Liability Company

### **Opinion**

We have audited the attached accounting (financial) statements of GLOBAL COLORS Limited Liability Company (PSRN 1089847242396, 87 Izhorsky Zavod territory, building 2A, Kolpino, Saint Petersburg 196655) consisting of the statement of financial position as of December 31, 2017, profit and loss account for 2017, annexes to the statement of financial position and the profit and loss account, including the equity change statement for 2017 and the cash flow statement for 2017, notes to the statement of financial position and the profit and loss account for 2017.

In our opinion, the attached annual accounting (financial) statements give a true and fair view of the financial position of GLOBAL COLORS Limited Liability Company as of December 31, 2017, the financial results of its activities and the cash flow for 2017 in all substantial aspects in accordance with the accounting (financial) principles established in the Russian Federation.

### **Basis for opinion**

We have performed the audit in accordance with the International Standards of Auditing (ISA). Our responsibility in accordance with these standards is described in the section "Responsibility of the auditor for auditing of the annual accounting (financial) statements" of this report. We are independent with regard to the audited entity in accordance with the Rules of Independence of Auditors and Audit Organizations and the Code of Auditors' Professional Ethics conforming to the Code of Ethics of Professional Accounts developed by the Accounting Professional and Ethical Standards Board, and we have fulfilled other obligations in accordance with these requirements of professional ethics. We suppose that the audit evidence obtained by us is sufficient and appropriate to serve the basis for our opinion.

### **Responsibility of the management and members of the Board of Directors of the audited entity for annual accounting (financial) statements**

The management is responsible for preparation and fair presentation of these annual accounting (financial) statements in accordance with the accounting principles established in the Russian Federation and for such internal control that as the management determines is necessary to enable the preparation of the annual accounting (financial) statements that are free from material misstatements whether due to fraud or error.

In preparing the annual accounting (financial) statements the management is responsible for assessment of the ability of the audited entity to continue as a going concern, for disclosure in the relevant cases of the information relating to the continuity of business and for preparation of the statements on the going concern assumption, with exception of the cases when the management intends to liquidate the audited entity, to terminate its activities or when it lacks any other real alternative except for liquidation or termination of the activities.



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## **Responsibility of the auditor for auditing of the annual accounting (financial) statements**

Our purpose is to obtain reasonable assurance that the annual accounting (financial) statements are free from material misstatements whether due to fraud or error and to prepare the auditors' report containing our opinion. Reasonable assurance is a high degree of confidence but does not guarantee that the audit conducted in accordance with ISA always reveals material misstatements, if available.

Misstatements may result from fraud or error and are considered to be material if it may be reasonably assumed that individually or jointly they can affect the users' economic decisions made on the basis of such annual accounting (financial) statements.

Within the frames of the audit conducted in accordance with the ISA we apply professional judgment and maintain professional skepticism throughout the audit. Apart from that, we:

- a) identify and assess the risks of material misstatement of the annual accounting (financial) statements due to fraud or error, develop and carry out auditing procedures in response to these risks, obtain audit evidence being sufficient and appropriate to serve the basis for our opinion. The risk of a failure to detect material misstatement due to fraud is higher than the risk of a failure to detect material misstatement due to error as fraud may include conspiracy, forgery, willful omission, distorted interpretation of information or actions in circumvention of internal control;
- b) obtain understanding of the internal control significant for audit with a view to develop the auditing procedures consistent with the circumstances but not with a view to giving an opinion about effective internal control of the audited entity;
- c) assess the appropriate nature of the applied accounting policy, reasonableness of the accounting estimates and appropriate disclosure of information prepared by the management of the audited entity;
- d) draw conclusion about the justification of the application of the going concern assumption by the management of the audited entity and on the basis of the obtained audit evidence – the conclusion about the availability of substantial uncertainty in connection with the events or conditions which may give rise to considerable doubts about the ability of the audited entity to continue as a going concern. If we draw the conclusion about the availability of considerable uncertainty, in our auditors' report we are to draw attention to appropriate disclosure of information in the annual accounting (financial) statements or, if such disclosure of information is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained prior to the date of our auditors' report. However, future events or conditions may result in the loss of the ability to continue as a going concern by the audited entity;
- e) assess the presentation of the annual accounting (financial) statements as a whole, their structure and contents, including disclosure of information, as well as the fact whether the annual accounting (financial) statements presents their underlying transactions and events so as to ensure their faithful representation.

We carry out information interaction with the management of the audited entity communicating to them, inter alia, the information about the planned scope and term of the audit as well as about the substantive comments on the audit results, including major internal control weaknesses revealed by us in the auditing process.



Manager of the audit engagement (Project manager)  
based on the results of which the auditors' report  
has been prepared

E.A. Potashevskaya



/signed/

Seal: Rosexpertiza Limited Liability Company \* Moscow \* PSRN 1027739273945

Audit organization:

Rosexpertiza Limited Liability Company

PSRN 1027739273946,

34 Mashi Poryvaevoy St., Moscow, 107078,

member of the Russian Union of Auditors (Association) self-regulated auditors' organization

PRNE 11603046778

May 3, 2018



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**BALANCE SHEET**  
as of December 31, 2017

Company **GLOBAL COLORS Limited Liability Company**  
 Taxpayer Identification Number  
 Type of business **Production of other chemical products**  
 Form of incorporation / form of ownership  
**Limited Liability Company / Mixed foreign ownership**  
 Measurement unit: thousands of rubles  
 Location (address)  
**643, 196655, St. Petersburg, Kolpino, Izhora Plant terr, 87, 2, letter A**

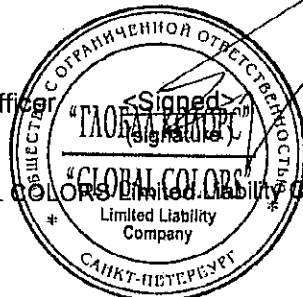
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Codes		
0710001		
31	12	2017
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Note	Item	Code	At December 31, 2017	At December 31, 2016	At December 31, 2015
	<b>ASSETS</b>				
	<b>I. NON-CURRENT ASSETS</b>				
1.1	Intangible assets	1110	15,357	17,095	14,272
	Results of research and development	1120	-	-	-
	Intangible exploratory assets	1130	-	-	-
	Tangible exploratory assets	1140	-	-	-
2.1	Fixed assets	1150	141,987	123,985	123,790
	Income-bearing investments in tangible values	1160	-	-	-
3.1	Financial investments	1170	745	745	745
	Deferred tax assets	1180	-	-	22,246
	Other non-current assets	1190	-	-	-
	Total, section I	1100	158,089	141,826	161,053
	<b>II. CURRENT ASSETS</b>				
4.1	Inventories	1210	265,320	247,210	198,984
	Value added tax on purchased values	1220	16,178	26,470	30,878
5.1	Receivables	1230	181,684	179,206	133,492
	Financial investments (other than cash equivalents)	1240	-	-	-
	Cash and cash equivalents	1250	15,228	11,827	20,736
	Other current assets	1260	-	-	-
	Total, section II	1200	478,410	464,713	384,090
	<b>BALANCE</b>	1600	636,499	606,539	545,144

Note	Item	Code	At December 31, 2017	At December 31, 2016	At December 31, 2015
	<b>LIABILITIES</b>				
	<b>III CAPITAL AND PROVISIONS</b>				
	Authorized capital (authorized fund, charter capital, partners' contributions)	1310	3,820	3,820	3,820
	Treasury shares	1320	-	-	-
	Revaluation of non-current assets	1340	-	-	-
	Add-in capital (without revaluation)	1350	155	155	155
	Reserve capital	1360	-	-	-
	Retained earnings (accumulated loss)	1370	86,454	64,963	(79,637)
	Total, section III	1300	90,430	68,938	(75,661)
	<b>IV LONG-TERM LIABILITIES</b>				
5.3	Borrowings	1410	8,264	7,657	9,564
	Deferred tax liabilities	1420	4,677	581	134
	Estimated liabilities	1430	-	-	-
	Other liabilities	1450	-	-	-
	Total, section IV	1400	12,942	8,238	9,697
	<b>V SHORT-TERM LIABILITIES</b>				
5.3	Borrowings	1510	288,820	267,030	176,911
5.3	Payables	1520	239,278	256,957	430,933
	Deferred earnings	1530	-	-	-
7	Estimated liabilities	1540	5,030	5,375	3,264
	Other liabilities	1550	-	-	-
	Total, section V	1500	533,128	529,363	611,108
	<b>BALANCE</b>	1700	636,499	606,539	545,144

Chief Executive Officer

Papadopoulos Eftychios  
(name)

Round seal: GLOBAL COLORS Limited Liability Company / St. Petersburg

March 18, 2018

**Income Statement  
for January - December 2017**

Company **GLOBAL COLORS Limited Liability Company**  
 Taxpayer Identification Number  
 Type of business **Production of other chemical products**  
 Form of incorporation / form of ownership  
**Limited Liability Company / Mixed foreign ownership**  
 Measurement unit: thousands of rubles

Form No. by OKUD  
 Date (day, month, year) by OKPO  
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Codes		
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Note	Item	Code	For January - December 2017	For January - December 2016
	Revenue	2110	921,807	1,030,303
	Cost of sales	2120	(722,370)	(809,351)
	Gross profit (loss)	2100	199,437	220,952
	Selling costs	2210	(73,447)	(81,330)
	Management costs	2220	(46,381)	(43,796)
	Profit (loss) from sales	2200	79,609	95,826
	Income from investments in other companies	2310	-	-
	Interest income	2320	-	3
	Interest expense	2330	(12,868)	(8,941)
	Other income	2340	112,367	217,615
	Other expense	2350	(149,816)	(121,997)
	Profit (loss) before tax	2300	29,292	182,506
	Current profit tax	2410	(4,793)	(15,214)
	including permanent tax liabilities (assets)	2421	1,942	1,415
	Change of deferred tax liabilities	2430	(4,097)	(447)
	Change of deferred tax assets	2450	-	(22,246)
	Other	2460	1,089	-
	Net profit (loss)	2400	21,491	144,599

Note	Item	Code	For January – December 2017	For January - December 2016
	Results of non-current assets revaluation not included in net profit (loss) for the period	2510	-	-
	Results of other transactions not included in net profit (loss) for the period	2520	-	-
	Total financial result of the period	2500	21,491	144,599
	<b>FOR REFERENCE</b>			
	Basic earnings (loss) per share	2900	-	-
	Diluted earnings (loss) per share	2910	-	-

Chief Executive Officer

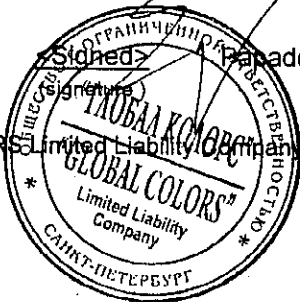
Signed

Paradopoulos Eftychios

(name)

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March 18, 2018





**Statement of Change in Equity**  
for January - December 2017

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by OKEI

Company **GLOBAL COLORS Limited Liability Company**  
Taxpayer Identification Number  
Type of business **Production of other chemical products**  
Form of incorporation / form of ownership  
**Limited Liability Company / Mixed foreign ownership**  
Measurement unit: thousands of rubles

**1. Capital flow**

Item	Code	Charter capital	Treasury shares	Add-in capital	Reserve capital	Retained earnings (accumulated loss)	Total
Capital as of December 31, 2015	3100	3,820	-	155	-	(79,637)	(75,662)
In 2016							
Capital increase, total:	3210	-	-	-	-	144,600	144,600
including:							
net profit	3211	X	X	X	X	144,600	144,600
property revaluation	3212	X	X	-	X	-	-
income related directly to capital increase	3213	X	X	-	X	-	-
additional issue of shares	3214	-	-	-	X	X	-
increase of par value of shares	3215	-	-	-	X	-	X
reorganization of the legal entity	3216	-	-	-	-	-	-



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

Item	Code	At December 31, 2015	Change of capital in 2016		At December 31, 2016
			due to net profit (accumulated loss)	due to other factors	
<b>Capital: total</b>					
before adjustments	3400	(75,661)	144,600		68,938
adjustment due to: changes in accounting policies	3410	-	-	-	-
correction of mistakes	3420	-	-	-	-
after adjustments	3500	(75,661)	144,600		68,938
including:					
retained earnings (accumulated loss) before adjustments	3401	(79,637)	144,600		64,963
adjustment due to:					
changes in accounting policies	3411	-	-	-	-
correction of mistakes	3421	-	-	-	-
after adjustments	3501	(79,637)	144,600		64,963
before adjustments	3402	-	-	-	-
adjustment due to:					
changes in accounting policies	3412	-	-	-	-
correction of mistakes	3422	-	-	-	-
after adjustments	3502	-	-	-	-

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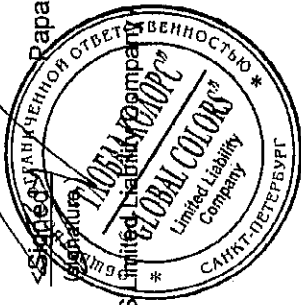
**3. Net assets**

Item	Code	At December 31, 2017	At December 31, 2016	At December 31, 2017
Net assets	3600	90,430	68,938	(75,661)

Chief Executive Officer Signature Papadopoulos Efychios  
(name)

Round seal: GLOBAL COLORS Limited Liability Company St. Petersburg

March 18, 2018



**Cash Flow Statement  
for January - December 2017**

Company **GLOBAL COLORS Limited Liability Company**  
 Taxpayer Identification Number  
 Type of business **Production of other chemical products**  
 Form of incorporation / form of ownership  
**Limited Liability Company / Mixed foreign ownership**  
 Measurement unit: thousands of rubles

Form No. by OKUD  
 Date (day, month, year) 31 | 12 | 2017  
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Item	Code	For January - December 2017	For January - December 2016
<b>Cash flows from current operations</b>			
Proceeds, total	4110	933,754	1,167,365
including:			
sale of products, goods, work and services	4111	932,465	1,163,105
lease, license fees, royalties, commissions and other similar fees	4112	-	-
resale of financial investments	4113	-	-
proceeds from subsidiaries and affiliates	4114	-	815
other proceeds	4119	1,289	3,445
Payments, total	4120	(866,713)	(1,176,757)
including:			
to suppliers and contractors for materials, supplies, work and services	4121	(660,685)	(755,235)
payroll	4122	(65,547)	(62,329)
interest on debt	4123	(9,492)	(4,280)
corporate profit tax	4124	(17,456)	(6,491)
payments to subsidiaries and affiliates	4125	(41,979)	(170,836)
interest on debt due to subsidiaries and affiliates	4126	-	-
other payments	4129	(71,554)	(177,586)
Cash balance from current operations	4100	67,041	(9,392)
<b>Cash flows from investment operations</b>			
Proceeds, total	4210	2,340	32,357
including:			
sale of non-current assets (other than financial investments)	4211	1,834	31,628
sale of shares in other companies	4212	-	-
repayment of loans granted, sale of debt securities (rights of cash claims to other parties)	4213	-	729
dividends, interest on debt financial investments and similar proceeds from interest in other companies	4214	-	-
sale of non-current assets to subsidiaries and affiliates	4215	506	-
other proceeds	4219	-	-
Payments, total	4220	(65,781)	(32,356)
including:			
for purchase, creation, modernization, reconstruction and preparation for use of non-current assets	4221	(63,641)	-
for purchase of shares in other companies	4222	-	-
for purchase of debt securities (rights of cash claims to other parties), provision of loans to other parties	4223	-	-
interest on debt included in the cost of the investment assets	4224	-	-
	4225	-	-

other payments	4229	(2,140)	(32,356)
Cash balance from investment operations	4200	(63,441)	1



**Statement of Intended Use of Funds  
for January - December 2017**

Company **GLOBAL COLORS Limited Liability Company**  
 Taxpayer Identification Number  
 Type of business **Production of other chemical products**  
 Form of incorporation / form of ownership  
**Limited Liability Company / Mixed foreign ownership**  
 Measurement unit: thousands of rubles

Form No. by OKUD  
 Date (year, month, day) by OKPO  
 by OKVED  
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2017	12	31
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Item	Code	For January - December 2017	For January - December 2016
Balance at the beginning of the reported year	6100	-	-
Funds received			
Entry fees	6210	-	-
Membership fees	6215	-	-
Specific contributions	6220	-	-
Voluntary contributions and donations	6230	-	-
Profit from the company's business	6240	-	-
Other	6250	-	-
Total funds received	6200	-	-
Funds used			
Expenses on special purpose events	6310	-	-
including:			
social and charity contributions	6311	-	-
conferences, meetings, seminars, etc.	6312	-	-
other events	6313	-	-
Management costs	6320	-	-
including:			
payroll and taxes	6321	-	-
non-payroll costs	6322	-	-
business trips	6323	-	-
maintenance of buildings, premises, cars and other property (other than repair)	6324	-	-
repair of fixed assets and other assets	6325	-	-
other	6326	-	-
Purchase of fixed assets, tools and other assets	6330	-	-
Other	6350	-	-
Total funds used	6300	-	-
Balance at the end of the reported year	6400	-	-

Chief Executive Officer



Signed: Efthymios Eftychios  
 (name)

Round seal: GLOBAL COLORS Limited Liability Company / St. Petersburg

March 18, 2018



## Calculation of net asset value

### **GLOBAL COLORS Limited Liability Company** (name of the organization)

Item	Code of the balance sheet line	At December 31, 2017	At December 31, 2016	At December 31, 2015
<b>Assets</b>				
Intangible assets	1110	15,357	17,095	14,272
Results of research and development	1120	-	-	-
Intangible exploratory assets	1130	-	-	-
Tangible exploratory assets	1140	-	-	-
Fixed assets	1150	141,987	123,985	123,790
Income-bearing investments in tangible values	1160	-	-	-
Financial investments, long-term	1170	745	745	745
Deferred tax assets	1180	-	-	22,246
Other non-current assets	1190	-	-	-
Inventories	1210	265,320	247,210	198,984
Value added tax on purchased values	1220	16,178	26,470	30,878
Receivables*	1230	181,684	179,206	133,492
Financial investments, short-term	1240	-	-	-
Cash and cash equivalents	1250	15,228	11,827	20,736
Other current assets	1260	-	-	-
<b>Total assets</b>	-	<b>636,499</b>	<b>606,539</b>	<b>545,144</b>
<b>Liabilities</b>				
Borrowings, long-term	1410	8,264	7,657	9,564
Deferred tax liabilities	1420	4,677	581	134
Estimated liabilities, long-term	1430	-	-	-
Other liabilities, long-term	1450	-	-	-
Borrowings, short-term	1510	288,820	267,030	176,911
Payables	1520	239,278	256,957	430,933
Estimated liabilities, short-term	1540	5,030	5,375	3,264
Other liabilities, short-term	1550	-	-	-
<b>Total liabilities</b>	-	<b>546,069</b>	<b>537,601</b>	<b>620,805</b>
<b>Net asset value</b>	-	<b>90,430</b>	<b>68,938</b>	<b>(75,661)</b>

\* Other than participants' (founders') contributions due to the charter capital.

Chief Executive Officer



Signed: Papadopoulos Eftychios  
(name)

Round seal: GLOBAL COLORS Limited Liability Company / St. Petersburg

March 18, 2018

**Notes to the Balance Sheet  
and the Income Statement (RUB k)**

Form 0710005 p. 1

**1. Intangible assets and costs of research and development  
1.1 Intangible assets and their movement**

Item	Code	Period	At the beginning of the year		Change during the period						At the end of the period		
			cost	accumulated amortization and impairment losses	received	retired		amortization charged	impairment loss	revaluation		cost	accumulated amortization and impairment losses
						cost	accumulated amortization and impairment losses			cost	accumulated amortization		
<b>Intangible assets, total</b>	<b>5100</b>	in 2017	17,385	(290)	-	-	(1,739)	-	-	-	-	17,385	(2,028)
	<b>5110</b>	in 2016	14,272	-	3,113	-	(290)	-	-	-	-	17,385	(290)
	<b>5101</b>	in 2017	17,385	(290)	-	-	(1,739)	-	-	-	-	17,385	(2,028)
	<b>5111</b>	in 2016	14,272	-	3,113	-	(290)	-	-	-	-	17,385	(290)

**1.2. Cost of internally developed intangible assets**

Item	Code	At December 31, 2017	At December 31, 2016	At December 31, 2015
Total	5120	-	-	-
including:	5121	-	-	-

**1.3. Intangible assets with fully written off cost**

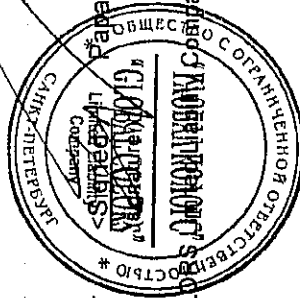
Item	Code	At December 31, 2017	At December 31, 2016	At December 31, 2015
Total	5130	-	-	-
Including:	5131	-	-	-

**1.4. R&D results and their movement**

Item	Code	Period	At the beginning of the year		received	Change during the period		part of cost charged to expenses over the period	At the end of the period	
			cost	part of cost charged to expenses		cost	Disposes part of cost charged to expenses		cost	part of cost charged to expenses
Research and development, total	5140	in 2017	-	-	-	-	-	-	-	-
	5150	in 2016	-	-	-	-	-	-	-	-
Including:	5141	in 2017	-	-	-	-	-	-	-	-
	5151	in 2016	-	-	-	-	-	-	-	-

**1.5. Outstanding and unregistered R&D and outstanding transactions on purchase of intangible assets**

Item	Code	Period	At the beginning of the year	Change during the period		At the end of the period
				costs over the period	costs written off as having yielded no positive results	
Costs on outstanding R&D, total					recorded as intangible assets or R&D	
including:						
	5160	in 2017	-	-	-	-
	5170	in 2016	-	-	-	-
	5161	in 2017	-	-	-	-
	5171	in 2016	-	-	-	-
outstanding transactions on purchase of intangible assets, total						
including:						
	5180	in 2017	-	-	-	-
	5190	in 2016	14,272	3,113	17,385	17,385
Intangible assets include right to use SAP software						
	5181	in 2017	-	-	-	-
	5191	in 2016	14,272	3,113	17,385	17,385



Chief Executive Officer **Stefanos Papadopoulos Eftychios** (name)

Round seal: GLOBAL COLLECTIVE COMPANY / St. Petersburg

March 18, 2018

**2. Fixed assets**  
**2.1. Fixed assets and their movement**

Item	Code	Period	At the beginning of the year		Change during the period						At the end of the period	
			cost	accumulated depreciation	received	disposed		depreciation charged	revaluation		cost	accumulated depreciation
						cost	accumulated depreciation		cost	accumulated depreciation		
Fixed assets (not including income-bearing investments in material values), total including:	5200	in 2017	185,283	(67,644)	52,771	(11,541)	11,271	(28,153)	-	-	226,513	(84,526)
	5210	in 2016	165,571	(41,846)	20,738	(1,026)	1,026	(26,824)	-	-	185,283	(67,644)
	5201	in 2017										
machinery and equipment	5211	in 2016	142,299	(48,367)	48,093	(7,125)	7,028	(20,926)	-	-	183,267	(62,265)
	5202	in 2017	134,912	(27,355)	7,387	-	-	(21,012)	-	-	142,299	(48,367)
	5212	in 2016	6,171	(2,682)	1,193	(271)	198	(983)	-	-	7,093	(3,467)
vehicles	5203	in 2017	3,938	(1,900)	2,233	-	-	(782)	-	-	6,171	(2,682)
	5203	in 2016	9,599	(5,443)	2,745	(3,177)	3,091	(1817)	-	-	9,166	(4,170)
	5213	in 2016	6,071	(4,767)	4,554	(1,026)	1,026	(1,682)	-	-	9,599	(5,443)
production tools	5204	in 2017	8,542	(4,954)	-	-	-	(1,370)	-	-	8,542	(6,324)
	5214	in 2016	5,775	(3,745)	2,767	-	-	(1,209)	-	-	8,542	(4,954)
	5205	in 2017	17010	(5,229)	598	(942)	942	(2,641)	-	-	16,666	(6,929)
buildings	5215	in 2016	13,531	(3,393)	3,479	-	-	(1,836)	-	-	17010	(5,229)
	5206	in 2017	-	-	-	-	-	-	-	-	-	-
	5216	in 2016	-	-	-	-	-	-	-	-	-	-
Office premises and other	5207	in 2017	1,662	(968)	142	(26)	13	(416)	-	-	1,779	(1371)
	5217	in 2016	1,344	(665)	318	-	-	(303)	-	-	1,662	(968)
	5220	in 2017	-	-	-	-	-	-	-	-	-	-
Recorded as income-bearing investments in material values, total including:	5230	in 2016	-	-	-	-	-	-	-	-	-	-
	5221	in 2017	-	-	-	-	-	-	-	-	-	-
	5231	in 2016	-	-	-	-	-	-	-	-	-	-

**2.2. Outstanding capital investments**

Item	Code	Period	At the beginning of the year	Change during the period recorded as fixed assets or cost increased		At the end of the period
				costs over the period	written off	
Unfinished construction and outstanding operations on purchase, modernization, etc. of fixed assets, total including:	5240	in 2017	6,346	46,243	-	(52,771)
	5250	in 2016	65	6,346	-	(65)
	5241	in 2017	6,346	46,243	-	(52,771)
	5251	in 2016	65	6,346	-	(65)

**2.3. Change of cost of fixed assets as a result of additional construction, additional equipment, reconstruction or partial liquidation**

Item	Code	In 2017		In 2016	
Increase of cost of fixed assets as a result of additional construction, additional equipment or reconstruction, total including:	5260	4,772	-	-	-
	5261	4,772	-	-	-
Decrease of cost of fixed assets as a result of partial liquidation, total including:	5270	-	-	-	-
	5271	-	-	-	-

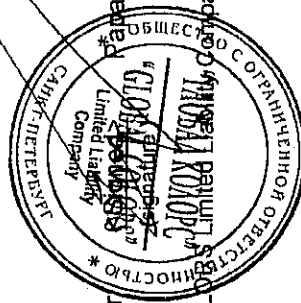
**2.4. Other use of fixed assets**

Item	Code	At December 31, 2017	At December 31, 2016	At December 31, 2015
Leased-out fixed assets recorded in the balance sheet	5280	-	-	-
Leased-out fixed assets recorded off-balance sheet	5281	-	-	-
Leased-in fixed assets recorded in the balance sheet	5282	2,676	-	-
Leased-in fixed assets recorded off-balance sheet	5283	65,000	65,000	5,717
Real properties commissioned and actually used that are in the process of state registration	5284	-	-	-
Fixed assets in temporary lay-up	5285	-	-	-
Other use of fixed assets (mortgage, etc.)	5286	-	-	-
	5287	-	-	-

Chief Executive Officer **Papadopoulos Eftychios** (name)

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March 18, 2018



**3. Financial investments and their movement**  
**3.1. Financial investments and their movement**

Item	Code	Period	At the beginning of the year		Change during the period				At the end of the period		
			cost	accumulated depreciation	Received	Disposed	accumulated depreciation	interest accrual (including bringing the cost to nominal value)	current market value (impairment loss)	cost	accumulated depreciation
Long-term, total	5301	in 2017	745	-	-	-	-	-	-	745	-
	5311	in 2016	745	-	-	-	-	-	-	745	-
	5302	in 2017	745	-	-	-	-	-	-	745	-
including: income-bearing investments	5312	in 2016	745	-	-	-	-	-	-	745	-
Short-term, total	5305	in 2017	-	-	-	-	-	-	-	-	-
	5315	in 2016	-	-	-	-	-	-	-	-	-
	5306	in 2017	-	-	-	-	-	-	-	-	-
including:	5316	in 2016	-	-	-	-	-	-	-	-	-
Financial investments, total	5300	in 2017	745	-	-	-	-	-	-	745	-
	5310	in 2016	745	-	-	-	-	-	-	745	-



**3.2. Other use of financial investments**

Item	Code	At December 31, 2017	At December 31, 2016	At December 31, 2015
Financial investments used as mortgage, total	5320	-	-	-
including:	5321	-	-	-
Financial investments transferred to third parties (other than sale), total	5325	-	-	-
including:	5326	-	-	-
Other use of financial investments	5329	-	-	-

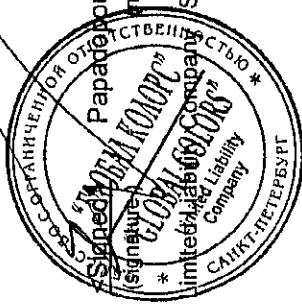
Chief Executive Officer

Signed: Papadopoulos Eftychios  
(signature)  
(name)

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limited liability company  
St. Petersburg

March 18, 2018



**4. Inventories**  
**4.1. Inventories and their movement**

Item	Code	Period	At the beginning of the year			Change during the period						At the end of the period	
			cost of sales	provision for impairment	proceeds and costs	disposed		provision for impairment	impairment losses	movement of inventories between types (groups)	cost of sales	provision for impairment	
						cost of sales							
Inventories, total	5400	in 2017	247,210	-	609,852	(591,742)	-	-	-	-	-	265,320	X
	5420	in 2016	198,984	-	722,836	(674,609)	-	-	-	-	-	247,210	X
including:	5401	in 2017	124,364	-	544,761	(12)	-	-	-	(530,960)	-	138,152	-
Materials, supplies and other similar assets	5421	in 2016	99,390	-	684,047	(189,349)	-	-	-	(469,724)	-	124,364	-
	5402	in 2017	106,631	-	-	(547,244)	-	-	-	538,205	-	97,592	-
Finished products	5422	in 2016	68,679	-	114	(443,416)	-	-	-	481,254	-	106,631	-
	5403	in 2017	9,990	-	48,044	(44,223)	-	-	-	(127)	-	13,685	-
Goods for resale	5423	in 2016	20,474	-	24,306	(32,265)	-	-	-	(2,524)	-	9,990	-
Goods and finished products shipped	5404	in 2017	-	-	-	-	-	-	-	-	-	-	-
	5424	in 2016	-	-	-	-	-	-	-	-	-	-	-
Costs in work in progress	5405	in 2017	184	-	-	-	-	-	-	4,472	-	4,655	-
	5425	in 2016	1,428	-	-	(1,244)	-	-	-	-	-	184	-
Other inventories and costs	5406	in 2017	6,042	-	17,047	(264)	-	-	-	(11,589)	-	11,236	-
Prepaid expenses (for analytical accounting items that are shown within inventories in the balance sheet)	5426	in 2016	9013	-	14,369	(8,335)	-	-	-	(9,006)	-	6,042	-
	5407	in 2017	-	-	-	-	-	-	-	-	-	-	-
	5427	in 2016	-	-	-	-	-	-	-	-	-	-	-
	5408	in 2017	-	-	-	-	-	-	-	-	-	-	-
	5428	in 2016	-	-	-	-	-	-	-	-	-	-	-

4.2. Inventories in mortgage

Item	Code	At December 31, 2017	At December 31, 2016	At December 31, 2015
Inventories not paid for as of the reporting date, total	5440	-	-	-
including:	5441	-	-	-
Inventories held in mortgage according to contract, total	5445	-	-	-
including:	5446	-	-	-

Chief Executive Officer

~~Signed~~ Papadopoulos Eftychios  
(name)

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March 18, 2018



**5. Receivables and payables**  
**5.1. Receivables and their movement**

Item	Code	Period	At the beginning of the year		Change during the period										At the end of the period		
			recorded under contract	doubtful debt provision	received		repayment	disposed		transfer from long-term to short-term debt	transfer from receivables to payables	transfer from payables to receivables	recorded under contract	doubtful debt provision			
					as a result of business transactions (debt under transaction / deal)	interest, fines and other charges		charged to financial result	recovery of provision								
Long-term receivables, total	5501	in 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5521	in 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
including: Settlements with buyers and customers	5502	in 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5522	in 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances paid	5503	in 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5523	in 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5504	in 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5524	in 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5505	in 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables, total	5510	in 2017	183,563	(4,357)	70,853	-	(68,628)	-	252	-	-	-	-	-	-	185,789	(4,105)
	5530	in 2016	133,598	(107)	84,932	14,700	(49,667)	-	(4,250)	-	-	-	-	-	-	183,563	(4,357)
	5511	in 2017	128,614	(4,357)	39,325	-	(23,637)	-	252	-	-	-	-	-	-	144,302	(4,105)
	5531	in 2016	113,334	(107)	56,674	-	(41,393)	-	(4,250)	-	-	-	-	-	-	128,614	(4,357)
	5512	in 2017	28,021	-	14,767	-	(21,305)	-	-	-	-	-	-	-	-	21,484	-
Advances paid	5532	in 2016	12,394	-	23,901	-	(8,274)	-	-	-	-	-	-	-	-	28,021	-
	5513	in 2017	26,927	-	16,762	-	(23,686)	-	-	-	-	-	-	-	-	20,003	-
	5533	in 2016	7,870	-	4,357	14,700	-	-	-	-	-	-	-	-	-	26,927	-
	5514	in 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5523	in 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	5500	in 2017	183,563	(4,357)	70,853	-	(68,628)	-	252	-	-	-	-	-	-	185,789	(4,105)
	5520	in 2016	133,598	(107)	84,932	14,700	(49,667)	-	(4,250)	-	-	-	-	-	-	183,563	(4,357)

**5.2. Overdue receivables**

Item	Code	At December 31, 2017		At December 31, 2016		At December 31, 2015	
		recorded under contract	book value	recorded under contract	book value	recorded under contract	book value
Total		4,105	4,105	4,357	4,357	107	107
including:							
Settlements with buyers and customers	5540	4,105	4,105	4,357	4,357	107	107
Settlements with suppliers and contractors (in part of advance payments and prepayments)	5541	4,105	4,105	4,357	4,357	107	107
other	5542	-	-	-	-	-	-
	5543	-	-	-	-	-	-
	5544	-	-	-	-	-	-

**5.3. Payables and their movement**

Item	Code	Period	Balance at the beginning of the year	Change during the period					Balance at the end of the period		
				received		disposed		Charged to financial result			
				as a result of business transactions (debt under transaction / deal)	interest, fines and other charges	repayment	transfer from long-term to short-term debt			transfer from receivables to payables	transfer from payables to receivables
Long-term payables, total			7,657	1,466	-	(859)	-	-	-	-	8,264
including:			9,564	2,876	-	(4,782)	-	-	-	-	7,657
bank loans	5551	in 2017	7,657	1,466	-	(859)	-	-	-	-	8,264
	5552	in 2016	9,564	2,876	-	(4,782)	-	-	-	-	7,657
non-bank loans	5553	in 2017	-	-	-	-	-	-	-	-	-
	5554	in 2016	-	-	-	-	-	-	-	-	-
other	5555	in 2017	-	-	-	-	-	-	-	-	-
	5556	in 2016	-	-	-	-	-	-	-	-	-
Short-term payables, total			523,988	210,757	355	(206,647)	355	-	-	-	528,097
including:			607,844	223,228	-	(307,084)	-	-	-	-	523,988
settlements with suppliers and contractors	5561	in 2017	214,800	134,159	-	(120,580)	-	-	-	-	228,379
	5581	in 2016	392,891	68,848	-	(246,939)	-	-	-	-	214,800
advances received	5562	in 2017	1352	10584	-	(9,197)	-	-	-	-	2,739
	5582	in 2016	3,375	9,426	-	(11,450)	-	-	-	-	1,352
settlements on taxes and levies	5563	in 2017	37,552	1,193	355	(37,418)	355	-	-	-	1,327
	5583	in 2016	24,095	14,700	-	(1,243)	-	-	-	-	37,552
bank loans	5564	in 2017	-	-	-	-	-	-	-	-	-
	5584	in 2016	-	-	-	-	-	-	-	-	-
non-bank loans	5565	in 2017	267,030	61,792	-	(40,002)	-	-	-	-	288,820
	5585	in 2016	181,095	127,121	-	(41,185)	-	-	-	-	267,030
other	5566	in 2017	3,254	3,029	-	550	-	-	-	-	6,833
	5586	in 2016	6,388	3,134	-	(6,267)	-	-	-	-	3,254
	5567	in 2017	-	-	-	-	-	-	-	X	-
	5567	in 2016	-	-	-	-	-	-	-	X	-
Total			531,645	212,223	355	(207,506)	355	X	X	X	536,361
	5570	in 2016	617,408	226,103	-	(311,866)	-	X	X	X	531,645

**5.4. Overdue payables**

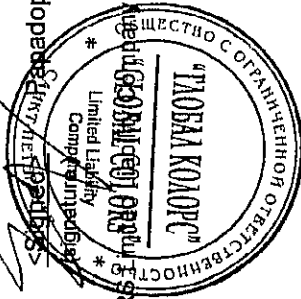
Item	Code	At December 31, 2017	At December 31, 2016	At December 31, 2015
Total	5590	-	-	-
including:				
settlements with suppliers and contractors	5591	-	-	-
settlements with buyers and customers	5592	-	-	-
other payables	5593	-	-	-
	5594	-	-	-

Chief Executive Officer

*[Signature]*  
 Konstantinos Papadopoulos Eftychios  
 (name)

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March 18, 2018



6. Production costs (selling costs)\*

Item	Code	In 2017	In 2016
Material costs	5610	534,896	637,066
Payroll	5620	39,551	38,370
Social security	5630	10,659	11,895
Depreciation/amortization	5640	23,033	22,995
Other costs	5650	252,168	272,378
Total by elements	5660	860,307	982,704
Change of balance: (increase [-]): work in progress, finished products, etc.	5670	(18,110)	(48,226)
Change of balance (decrease [+]): work in progress, finished products, etc.	5680	-	-
Costs on ordinary operations, total	5600	842,197	934,478

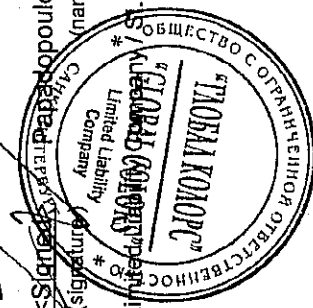
Chief Executive Officer

Stavros Papadopoulos Eftychios

(signature) (name)

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March 18, 2018

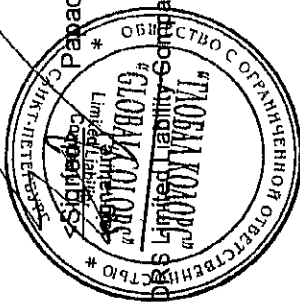


**7. Estimated liabilities**

Item	Code	Balance at the beginning of the year	Recognized	Disposed	Written off as an excessive amount	Balance at the end of the period
Estimated liabilities, total	5700	5,375	(345)	-	-	5,030
including:						
provision for vacations	5701	5,375	(345)	-	-	5,030
	5702	-	-	-	-	-

Chief Executive Officer

Papadopoulos Eftychios  
(name)



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March 18, 2018

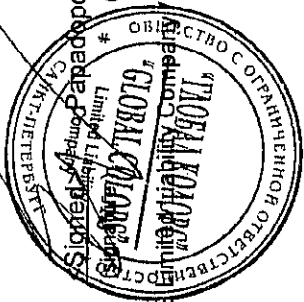


**8. Security of liabilities**

Item	Code	At December 31, 2017	At December 31, 2016	At December 31, 2015
Received, total	5800	-	-	-
including:				
Issued, total	5810	-	-	-
including:				

Chief Executive Officer

Signed: Stavros Papadopoulos Efitychios  
(name)



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March 18, 2018

**9. Government aid**

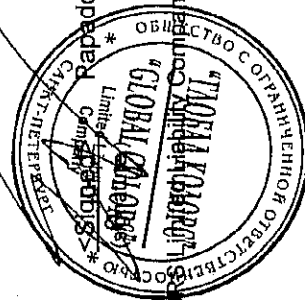
Item	Code	In 2017		In 2016	
		At the beginning of the year	Received during the year	Repaid during the year	At the end of the year
Budget funds received, total	5900	-	-	-	-
including: for current costs	5901	-	-	-	-
for investments in non-current assets	5905	-	-	-	-
Budget loans? total	5910	-	-	-	-
	5920	-	-	-	-
including:	5911	-	-	-	-
	5921	-	-	-	-

Chief Executive Officer

Rapadopoulos Eftychios  
(name)

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March 18, 2018



**Notes to the balance sheet and income statement for 2017**

**Global Colors Limited Liability Company**

GLOBAL COLORS Limited Liability Company. Registered office address: 196655, St. Petersburg, Kolpino, Izhora Plant terr, 87, 2, letter A. The postal address is the same as the registered office address. The company is a company with 100% foreign investment. The charter capital amounts to RUB 3,820 k. The only participant of the Company is RTL (Rainbow technologies limited). The charter capital has been fully paid. The company was reorganized by transformation from a closed joint stock company to a limited liability company on 13.03.2018. The company has a subsidiary, Modern Plant LLC, and separate subdivisions. The main business activity of the Company is production of chemical colorants for polymer modification.

**Significant accounting and reporting policies of the Company**

1. The useful life of fixed assets is determined based on the Classification of Fixed Assets Included in Depreciation Groups as adopted by the Russian Government Order No. 1 dated January 01, 2002\*.
2. Non-current assets and intangible assets are amortized on a straight-line basis.
3. Inventories are accounted at planned / actual cost of sales using accounts 16 and 15.
4. Upon disposal of inventories, their valuation is performed at average cost of sales.
5. A doubtful debt provision is established.
6. A provision for unused vacations is established.
7. There is no revaluation of non-current assets.
8. Finished products are evaluated at truncated cost of production, direct costing using account 43, finished products without using account 40 release of products.
9. The main accounting software is SAP.
10. Cash flows in foreign currency are converted into rubles using the official exchange rate of such currency to ruble as set by the Central Bank of Russia on the date of payment or payment receipt.
11. The statutory financial statements are prepared based on the accounting and reporting rules that are applicable in the Russian Federation (cl. 25 of PBU 4/99).
12. The company uses its own chart of accounts.

### Correction of mistakes, change of accounting policies, reporting

The company corrects material mistakes of the previous reported year retrospectively. Interim accounting (financial) statements are issued by the company in cases when it is required by the laws of the Russian Federation, regulations of state accounting regulation authorities, contracts, constituent documents or resolutions of the owner (part 4 as edited by the Federal Law of 23.07.2013 N 251-FZ). In other cases, interim accounting statements are issued on the owner's request.

### Features of accounting of inventories using accounts 15 to 16\*

Material values are accounted at planned / accounting prices. Accounting of purchase of material values is performed using the group of accounts 16\* *Deviation in the value of material values*. Accounts 16\* *Deviation in the value of material values* are intended for summary information on differences in the value of purchased and produced inventories calculated by the actual cost of purchase and accounting prices, as well as of data characterizing foreign exchange differences between ruble accounts. All inventories are recorded on accounts at planned / accounting prices (hereinafter referred to as standard prices) and average prices broken down by SKU and warehouses. The standard price is defined as the actual price established as at the end of the second to last month preceding the reporting month. For new inventories that had not been received by the company earlier, the standard price is determined by expert method using the following methodology: for newly received materials, based on the cost of the first delivery excl. VAT, for products in the price range of 40-300 rubles for 1,000 units depending on the price group of similar products, for faulty products (scrap) in the price range of 7-40 rubles for 1,000 units. In the period of implementation of the accounting method using accounts 15/16\* at first application of standard prices for inventories that are already at the warehouse, the standard price is the advertising calculated price as at the last reporting date before transition to the new method of accounting.

When inventories are received by the company, they are posted on accounts at standard prices by a debit entry on the inventories account (10\*, 41\*) and a credit entry on 15\*, and the difference between the actual and standard cost is shown in the correspondence of accounts 15\* and 16\* *Deviation in the value of material values* (debit of 15\* (16\*), credit of 16\* (15\*)). The debit of account 15\* shows the actual cost of purchase of materials not including additional costs, which in turn are accumulated on the debit of account 16\*. The balance of account 15\* at the end of the month, depending on the sign, shows materials in transit or an unbilled delivery. At the end of each month, the difference between the accounting value of materials and the actual costs of their purchase is charged from account 16\* to account 10\*. Such difference may be positive or negative.

### Method of accounting estimate

Inventories accounted upon disposal are evaluated at the weighted average cost of sales (and then at average cost). The calculation at average cost is performed by dividing the total cost of sales of the type of inventories by their amount, which is the sum of the cost of sales and the balance at the beginning of the month and inventories received during the month. The types of inventories are grouped by SKU and warehouses. The total cost of sales is the sum of costs calculated based on the standard price and the difference between the standard price and actual price at delivery including the difference from foreign exchange revaluation at recalculation of the inventories in the reporting currency. The calculation is performed for each SKU and each warehouse independently. On the first day of each month, the standard price is recovered by 1601(2)0001 turnovers in correspondence with inventories accounts. During the month, all transactions of inventories' movement are performed at the standard price. Upon receipt of inventories, accounts 1601(2)0000 are opened that take consideration of the difference between the standard price and the actual price. On the last calendar day of the month after completion of all transactions, the accounting price is calculated. After the average price has been determined, a revaluation of all inventories' movements for the month is performed including receipts, movement, write-offs and balances of inventories at the end of the month on the debit of account 16\* in correspondence with inventories accounts. Accounts 1602(1)0000(2,3,4,5) have no balance at the end of the month and they are completed with concluding turnovers at the end of the month. Therefore, balances of inventories at the end of the month are accounted at the actual cost by the calculated average estimation.

### Stock-taking at warehouses

Finished products and materials during the month are shown at planned / accounting prices

(hereinafter referred to as standard prices). As the cost of inventories at stock-taking is shown in standard prices, on the date of identification of any shortage or excess, the company puts the cost of deviations in standard estimation to the debit of the development account. Any losses / earnings are revaluated to the actual cost at the end of the month. The share of costs including deviations in the cost of inventories and goods related to shortage is accounted by correspondence of accounts 94/ 16.

#### Chart of accounts

The company has designed its own chart of accounts, which is an appendix to the accounting policies. The accounts have no subaccounts. Synthetic and analytical accounting is encoded in the account number, and account codes have transcripts in the chart of accounts.

#### Simplified write-off of some categories of inventories

Because the business of the company does not imply any significant balances of expendables, special clothing, and single use inventories costing less than RUB 40 k per unit, information on which in the financial statements cannot affect any decisions of the users of such accounting statements (cl. 13.2, enacted by the Order of the Ministry of Finance of Russia dated 16.05.2017 N 64n), the company has determined that the cost of purchase of such inventories are included in the cost of ordinary activities in full on the time of purchase of inventories and execution of expenses. Other types of inventories that are accounted by the general rules regardless of their cost are listed in Appendix No. 1 to the accounting policies (SKU used in logistics).

#### Vacation provision

In accordance with PBU 8/2010 in accounting and in accordance with article 324 1 of chapter 25 of the Tax Code of Russia in fiscal reporting, the company sets up a vacation provision. For accrual of the vacation provision, a special cost estimate is made (Appendix No. 2 to the accounting policies). The estimated liability for upcoming payment of vacations is determined annually as at December 31. In the current calendar year, the funds for payment of vacations are reserved monthly as a percentage of payroll for the current month. The percentage of payments to the provision is defined as the ratio of the expected annual costs of vacations and the expected annual payroll costs including social security. The percentage is calculated annually as at December 31; the result of such calculation is shown in the cost estimate (Appendix No. 3 to the accounting policies).

#### Accounting of intangible assets

The method of amortization of intangible assets is linear. There is no revaluation of intangible assets. Intangible assets are not reviewed annually for impairment in the procedure stipulated by the international financial reporting standards. The useful life of intangible assets is determined by the company itself but may not be less than 24 months.

### Accounting of foreign exchange gains and losses

Foreign exchange gains and losses are written off directly to the financial result of the company (account 91 *Other income and expenses*) as the transaction is performed and at each reporting date, i.e. at the end of each month. The value of cash at the company's cash office and bank accounts (deposits) in foreign currency is recalculated with change of the exchange rate. Gains and losses in foreign currency in the financial results from business outside Russia are translated into rubles using the official rate of such currency to the ruble as set by the Bank of Russia as of the relevant date on the foreign currency transaction; foreign exchange gains and losses for management purposes are classified as realized and unrealized and calculated for each document separately. Foreign exchange gains and losses are charged to liabilities in foreign currency at the end of the reporting period, and during the period foreign exchange gains and losses are accrued to the "movement" of liabilities and "evened" as unrealized difference as at the reporting date in correspondence with balance sheet accounts 6\*\*99\*.

### Policies in VAT tax reporting and advances received from buyers

As payment for products and goods is performed based on invoices, which are preliminary quotations that may be withdrawn and the amount of which may be changed, and which are not subject to accounting, at the time of receipt of cash from buyers there is no certainty in classification of funds received as prepayment (advance payment) or payment after shipment, the amount of advance payments from buyers is defined at the quarter end on the results of reconciliation with buyers. In such case, a reversed 6201/6202 is made and VAT on the advance payment is charged. VAT invoices for the advance payment are issued.

### Cost accounting

Cost accounting is organized at places of origin of costs (hereinafter referred to as POC). The list of POC is provided in Appendix No. 4 to the accounting policies. Account 500\* POC shows direct and indirect production and general production costs accounted in cost of sale of goods, work and services. Direct production costs include materials that are the base of products; payroll of employees directly engaged in production and related mandatory social security charges; depreciation of non-current assets directly used for production of goods, work and services; cost of maintenance of machines and spare parts; consumables for production; product packaging; costs of cleaning of production machines; costs of lease of production premises; other costs related to production. Direct production costs include payroll of employees directly engaged in general production work and related mandatory social security charges; depreciation of non-current assets of general purpose; consumables for general needs; packaging of goods and other materials for resale; costs of lease of general production premises; other costs related to general production. Direct general production costs are distributed by SKU pro rata to the amount of products produced. Accounts 501\*, 504\* (quality control, laboratory) of POC show management costs including administration and management costs; costs of general staff not engaged in the production process; depreciation and repair of non-current assets of management and general purpose; lease of premises of general purpose, in the part of management needs; cost of information, audit and advisory and similar services; entertainment costs for general management needs; taxes paid for the company as a whole; other similar purpose costs arising in the course of management of the company and caused by its maintenance as a single finance and property system; costs of product quality control, quality management and laboratory. Account 502\* of POC shows selling costs related to sale of goods, work and services including taring and packaging of products at finished products warehouses in regions; delivery of products to the purchaser; loading to card, ships, trucks and other vehicles; commission fees paid to sales companies and other intermediaries; maintenance of premises for product storage at the places of sale, lease, and storage; payroll of the sales department; product tests at release; advertising; entertainment costs for product sales; procurement and delivery of products to central warehouses (bases) and shipment of products (at trade companies); insurance of shipped products and commercial risks; coverage of product shortage within natural loss standards; other similar costs. Account 503\* of POC shows other financial costs including foreign exchange gains and losses; banking fees; other similar costs.

### Determination of financial results of business and procedure for charging to expenses

The financial result is determined monthly using the cumulative method. The following procedure for accounting direct, general production, general business, administrative, and selling costs is established for determining the financial result; during the period, the costs are collected on accounts with codes 31\*,32\*,33\*,34\*,35\* on the debit of accounts for the relevant analytical POC. Movement on accounts 31\*-35\* of POC 500\* in the debit are included in the cost of sale of products with mirror entries

from the credit of account 39\* using control off-balance sheet accounts. Other costs that are not included in the cost of sales of products collected on accounts 31\*-35\* of POC 501\*-504\* are charged to the financial result in the regional period (outside the calendar year). Therefore, at the beginning of the next year there are no balances on the cost accounts. The interim financial result is determined by the cumulative method on accounts 9002\*, 912\*, 32\*-35\* POC 501-504\*, and credit movements on accounts 90\* 91\* 94.

**Disclosure of changes in accounting policies in the year following the reporting year**

The company has no plans of changing its accounting policies in the year following the reporting year.

**Members of executive bodies and control bodies of the company**

Name	title
1) Papadopoulos Eftychios	Chief Executive Officer

The ultimate beneficiary is Plastika Kritis, a joint stock company that is the owner of RTL.

### Financial and business operations in 2016

In 2016, CJSC Global Colors made a profit of 144,599,710 rubles including as a result of currency revaluation. Other income amounted to 217,615,001 rubles, including:

Foreign exchange gains	211,308,188
Excess identified during stock-taking	17,082
Income from disposal of assets	1,427,224

Base earnings per share were RUB 37,853 k,

Other costs amounted to 121,997,041 rubles, including:

Foreign exchange losses	101,265,019
Doubtful debt provision	4,401,600
Losses of previous years	3,198,101
Shortage identified during stock-taking	141,184
Cost of materials sold	661,945
Banking fees	1,584,937

Interest for use of the loans amounted to 8,941,206 rubles.

The average headcount for 2016 amounted to 87. In 2016, doubtful debt provisions and vacations provisions were established.

Contingent corporate income tax cost	RUB 36,501.2 k
Change of deferred tax assets	RUB 22,245 k
Change of deferred tax liabilities	RUB 446 k
Permanent tax liabilities accrued	RUB 1,415 k

### Financial and business operations in 2017

In 2017, CJSC Global Colors made a profit of 21,491,333 rubles including as a result of currency revaluation. Other income amounted to 112,367,048 rubles, including:

Foreign exchange gains	107,267,481,34
Excess identified during stock-taking	193,963,75
Income from disposal of assets	2,323,786,88

Base earnings per share were RUB 5,626 k,

Other costs amounted to 149,816,493 rubles, including:

Foreign exchange losses	138,680,654,24
Doubtful debt provision	206,944,51
Shortage identified during stock-taking	141,184
Cost of materials sold	12,100,83
Banking fees	1,859,473,29

Interest for use of the loans amounted to 12,867,923.68 rubles. The average headcount for 2017 amounted to 84. In 2017, doubtful debt provisions and vacations provisions were established.



Contingent corporate income tax cost: RUB 29,292,207. Change of deferred tax liabilities: RUB 3,007,568.12. Permanent tax liabilities accrued: RUB 1,942,431.76

**Related parties**

Related party	Party's share in the charter capital of the Company
Name: Papadopoulos Eftychios Ground: The person acts as a sole executive body of the Company	0.00%
Name: RTL (Rainbow technologies limited) Ground: The person is a founder of the Company	100.00%
Name: Plastika Kritis Ground: The person belongs to the same group as the Company	0.00%
Name: Romocolor Ground: The person belongs to the same group as the Company	0.00%
Name: GLOBAL COLORS POLSKA S.A. Ground: The person belongs to the same group as the Company	0.00%
Name: SENKROMA Ground: The person belongs to the same group as the Company	0.00%
Name: SHANGHAI HiTeC PLASTICS CO.,LTD. Ground: The person belongs to the same group as the Company	0.00%
Name: Modern Plant LLC Ground: The person belongs to the same group as the Company	0.00%

Transactions of related parties:

Settlements with related parties including 2017:

No.	Description of relations / transactions with related parties	Response			Description of transactions, amount (rubles), 2017
		Related party	Nature of relation (control / influence)	Information confirming the category of related parties	
1.	Legal entities and individuals that are authorized to dispose of more than 20 percent of the total number of votes vested in voting shares of your company or constituting the charter capital, contributions or shares	RTL	Founder, 100% interest, short-term loan  Accrual of interest for short-term loan	Minutes of Founders' Meeting, Articles of Association	No transactions  1205660.08 rubles
2.	Legal entity in which your company is authorized to dispose of more than 20 percent of the total number of votes vested in voting shares or constituting the charter capital, contributions or shares of such legal entity	none	-		
3.1	Person that has a significant influence (direct or via third parties) including an individual that ultimately directly or indirectly owns (has a prevailing share of) more than 25 percent in the capital of your company (beneficiary owner)	none			

3.2	Person that has a significant influence (direct or via third parties) including an individual that ultimately directly or indirectly owns (has a prevailing share of) more than 25 percent in the capital of your company (beneficiary owner)	none				
4.	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	Name: GLOBAL COLORS POLSKA S.A. Ground:	Purchase of goods	No data	No transactions	
	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	PLASTIKA KRITIS S.A.	Purchase of goods, equipment, services of technical support, payment of interest on commodity loan. Sale of scrap (production waste).  Sale of fixed assets	No data	1604609.68 rubles  489295.35 rubles	
	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	ROMCOLOR	Purchase of services of technical consulting	No data	No transactions	

	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	SHANGHAI HITeC PLASTICS CO.,LTD.	Purchase of film	No data	11026811.25 rubles
	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	Modern Plant LLC	Lease	Contribution to the charter capital	31851950.99 rubles
	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	SENKROMA	Purchase of spare parts	No data	No transactions
5.	Members of the Board of Directors (Supervisory Board) or other collegial management body	1) MICHAEL LEBIDAKIS 2) Papadopoulos Eftychios 3) Emanuel LEBIDAKIS 4) Valergakis Giorgos	Board of Directors	Minutes of the Meeting	No transactions
6.	Members of the collegial management body and person acting as the sole executive body of your company	Papadopoulos Eftychios	Chief Executive Officer	Employment contract	3058397 rubles

7.	If your company is a part of a financial-industrial group, members of the Boards of Directors (Supervisory Boards) or other collegial management bodies of the entities in the financial-industrial group and persons acting as sole executive body of members of the financial-industrial group	none			
8.	Legal entity or/and individual registered as an individual entrepreneur with which your company has a joint business	none			
9.	Non-government pension fund which acts in the interest of employees of your company or another organization that is a related party of your company	none			

Name of the person	Transaction	Payables at the end of 2017	Maturity date (scheduled)
RAINBOW TECHNOLOGIES LTD.	Loan due	24,433,940.64 rubles	31.12.2019
	Amounts due under a service agreement	23,274,888.29 rubles	
PLASTIKA KRITIS S.A.	Amounts due for goods, services and equipment	79 529 952.12 rubles	31.12.2019

Modern Plant LLC	Amount due under lease agreements	77,144,875.96 rubles	31.12.2019
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Settlements with related parties including 2016:

No.	Description of relations / transactions with related parties	Response			Description of transactions, amount (rubles), 2016
		Related party	Nature of relation (control / influence)	Information confirming the category of related parties	
1.	Legal entities and individuals that are authorized to dispose of more than 20 percent of the total number of votes vested in voting shares of your company or constituting the charter capital, contributions or shares	RTL	Founder, 100% membership, short-term loan	Minutes of Founders' Meeting, Articles of Association	No transactions
2.	Legal entity in which your company is authorized to dispose of more than 20 percent of the total number of votes vested in voting shares or constituting the charter capital, contributions or shares of such legal entity	none	-		

3.1	Person that has a significant influence (direct or via third parties), including an individual that ultimately directly or indirectly owns (has a prevailing share of) more than 25 percent in the capital of your company (beneficiary owner)	none				
3.2	Person that has a significant influence (direct or via third parties), including an individual that ultimately directly or indirectly owns (has a prevailing share of) more than 25 percent in the capital of your company (beneficiary owner)	none				
4.	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	Name: GLOBAL COLORS POLSKA S.A. Ground:	Purchase of goods	No data	No transactions	
	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	PLASTIKA KRITIS S.A.	Purchase of goods, equipment, services of technical support, payment of interest on commodity loan. Sale of scrap (production waste).	No data	For a total amount of RUB 35,049 k	
	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	ROMCOLOR	Purchase of services of technical consulting	No data	RUB 648 k	

	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	SHANGHAI HiTeC PLASTICS CO.,LTD.	Purchase of film	No data	No transactions
	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	Modern Plant LLC	Lease	Contribution to the charter capital	RUB 42,081 k
	Legal entities and individuals that belong to the same group of persons as your company. A group of persons is defined in accordance with article 9 of the Federal Law of 26.07.2006 No. 135-FZ "On Protection of Competition"	SENKROMA	Purchase of spare parts	No data	RUB 101 k
5.	Members of the Board of Directors (Supervisory Board) or other collegial management body	1) MICHAEL LEBIDAKIS 2) Papadopoulos Eftychios 3) Emanuel LEBIDAKIS 4) Valergakis Giorgos	Board of Directors	Minutes of the meeting	None
6.	Members of the collegial management body and person acting as the sole executive body of your company	Papadopoulos Eftychios	Chief Executive Officer	RUB 1,917 k	Salary



7.	If your company is a part of financial-industrial group, members of the Boards of Directors (Supervisory Boards) or other collegial management bodies of the entities in the financial-industrial group and persons acting as the sole executive body of entities in the financial-industrial group	none			
8.	Legal entity or/and individual registered as an individual entrepreneur with which your company has a joint business	none			
9.	Non-government pension fund which acts in the interest of employees of your company or another organization that is a related party of your company	none			

Name of the person	Transaction	Payables at the end of 2016	Maturity date (scheduled)
RAINBOW TECHNOLOGIES LTD.	Amounts due under loan	RUB 43,041 k	31.12.2019
PLASTIKA KRITIS S.A.	Amounts due for goods, services and equipment	RUB 59,901 k	31.12.2019

Modern Plant LLC	Due under lease agreements	RUB 53,298 k	31.12.2019
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### **Contingencies in the Company's business in 2017**

A contingency is a fact that existed as at the reporting date, in relation to the consequences of which and the likelihood of occurrence of which in the future there is an uncertainty, i.e. the occurrence of consequences depends on whether one or more uncertain future events occur.

There are no contingencies for which the Company in 2017 estimates the likelihood of reduction or increase of economic benefits in the future as high.

There are no material outstanding litigations as at the reporting date where the Company is the plaintiff or defendant and where judgments may be expected in the future reported periods only.

There are no outstanding disputes with tax authorities regarding statutory charges as at the reporting date.

There are no guarantees, suretyships or other types of security of liabilities in favor of third parties issued before the reporting date for which the maturity date has not yet occurred.

There are no promissory notes accounted (discounted) as at the reporting date for which the maturity date has not occurred before the reporting date.

There have been no acts of other entities or persons before the reporting date as a result of which the company is entitled to compensation the amount of which is a matter of litigation.

There is no sale or termination of any part of the Company's business, no divisions of the Company are closed or moved to a different geographical area, etc.

There are no other similar facts of any kind.

### **Events after the reporting date**

An event after the reporting date is a business fact that has affected or may affect the financial position, cash flows or results and which has occurred in the period between the reporting date and the date of signing of the statutory financial statements for the reporting year.

Declaration of any dividends on the results of the joint stock company's business in the reporting year is also an event after the reporting date.

Declaration of the Company's debtor as bankrupt in due order if bankruptcy proceedings were already in process for such debtor as at the reporting date: No information

Revaluation of assets after the reporting date the results of which evidence their stable and material impairment: None

Information on the financial position and results of a listed subsidiary or affiliate (partnership) which evidences a stable and material impairment of the Company's long-term financial investments: There are no such subsidiaries

Declaration of dividends by subsidiaries or affiliates before the reporting date: None

Receipt of data on adjustment of insurance compensation from an insurance company which was being negotiated as at the reporting date: None

Discovery after the reporting date of a material error in accounting or violation of law in the course of the Company's business which cause a misstatement in the statutory financial statements for the reporting period: None detected

Events evidencing the appearance of business conditions in which the company operates after the reporting date: None

#### **Information on the environmental activity of the Company**

CJSC Global Colors disposes of its production and household waste from the company premises to a landfill. In 2017, the fee for negative effect on the environment was calculated. The state duty for permission for release of pollutants into the air from fixed sources on business and other facilities, which are not subject to state environmental control, was paid in due time.

The company performs activities for ensuring normal work conditions for the staff. Special clothing and protection tools are procured and provided. There are regular medical examinations.

#### **Information on the cash and foreign exchange rate as at the reporting date**

As at 31.12.2017, the euro / ruble exchange rate was 68.8668, the USD / ruble exchange rate was 57.6002, and there were no liabilities in other foreign currencies as at 31.12.2017. The company is able to obtain additional funding as at the reporting date. As at the reporting date, there were no material amounts of cash or equivalents which are unavailable to the Company for use.

**Information on the planned development of the Company**

CJSC Global Colors plans to increase the production volume in 2018 up to 7,200 thousand kg per year by commissioning the eighth line at the account of modernization of other lines.

**Information on energy resources used**

Costs of purchase of resources in 2017

Electricity costs: 18,042,573.20 rubles excl. VAT

Heating costs: 1,619,266.97 rubles excl. VAT

Chief Executive Officer

Round seal: GLOBAL COLORS Limited Liability Company, St. Petersburg



E. Papadopoulos

Stitched and numbered  
53 (fifty-three) sheets  
Project Manager  
Y.A. Potashevskaya

Round seal: Rosexpertiza, a Limited Liability Company