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АУДИТОРСКО-КОНСАЛТИНГОВАЯ ГРУППА

Per. №3-8 от 20.03.2018

INDEPENDENT AUDITOR'S REPORT

**Financial statements prepared in accordance with IFRS
«KARATZIS RUS» Ltd.**

for the year ended to December 31, 2017

Krasnodar 2018

INDEPENDENT AUDITOR'S REPORT

Financial statements prepared in accordance with IFRS
«KARATZIS RUS» Ltd.
for the year ended to December 31, 2017

To owners «KARATZIS RUS» Ltd.

Opinion

We have audited the financial statements of the company KARATZIS RUS Ltd. (OGRN 116375011611, 350037, Krasnodar region, city Krasnodar, x. Lenina, post office 37) (the Company), which comprise the statement of the financial position of the state As at December 31, 2017 and statements of comprehensive income, changes in capital and statement of cash flows for the year then ended December 31, 2017, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance and cash flows for the year then ended December 31, 2017 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled other our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Company for preparation of the financial statements in accordance with IFRSs used the method of transformation adjustments performed by the attracted specialist in accordance with IFRSs. We have performed audit procedures to verify the correctness of these adjustments, their impact on the reliability of the financial statements.

The Company recalculated the reporting indicators into presentation currency, other than the functional currency. The functional currency of the Company is the Russian Ruble, the reporting

currency is EURO. The restatement of the reporting indicators was carried out in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", while to restate the statement of comprehensive income was used the average rate for the period. We have checked the correctness of the translation of the reporting indicators in the presentation currency.

Responsibilities of Management of the audited entity for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

A) We Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

B) We 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 Company's internal control;

C) We Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

D) We Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such

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disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

E) We Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Head of the audit task,
based on the results of which an
audit report was drawn up,

Veronika I. Koroleva

Head of Audit Organization
Managing partner
"Audit Group "Vash Sovetnik" LLC

Fedor V. Gladkiy

Audit organization:
"Audit Group "Vash Sovetnik" LLC
OGRN 1112310003992,
350015, Krasnodar region, Krasnodar, Krasnaya st., 154, 4th floor,
Member of the self-regulatory organization "AAS"
ORNZ 11606068708



« 20 » March 2018

Total 54 sheets are stitched.

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Рег. №3-8 от 20.03.2018 г.

АУДИТОРСКОЕ ЗАКЛЮЧЕНИЕ

независимого аудитора

**финансовой отчетности, подготовленной в соответствии с МСФО
Общества с ограниченной ответственностью
«КАРАТЗИС РУС»**

За год закончившийся 31 декабря 2017 года

Краснодар 2018

**АУДИТОРСКОЕ ЗАКЛЮЧЕНИЕ независимого аудитора
финансовой отчетности, подготовленной в соответствии с МСФО
Общества с ограниченной ответственностью «КАРАТЗИС РУС»
За год закончившийся 31 декабря 2017 года**

Участникам ООО «КАРАТЗИС РУС»

Мнение

Мы провели аудит прилагаемой годовой финансовой отчетности общества с ограниченной ответственностью «КАРАТЗИС РУС» (ОГРН 116375011611, 350037, Краснодарский край, г.Краснодар, х.Ленина, почтовое отделение 37) (далее – Общество), состоящей из отчета о финансовом положении по состоянию на 31 декабря 2017 года и отчетов о совокупном доходе, изменениях в капитале и движении денежных средств за 2017 год, а также примечаний к годовой финансовой отчетности, состоящих из краткого изложения основных положений учетной политики и прочей пояснительной информации.

По нашему мнению, прилагаемая годовая финансовая отчетность отражает достоверно во всех существенных аспектах финансовое положение Общества по состоянию на 31 декабря 2017 года, а также его финансовые результаты деятельности и движение денежных средств за 2017 год в соответствии с Международными стандартами финансовой отчетности (МСФО).

Основание для выражения мнения

Мы провели аудит в соответствии с Международными стандартами аудита (МСА). Наша ответственность в соответствии с этими стандартами описана в разделе «Ответственность аудитора за аудит годовой финансовой отчетности» настоящего заключения. Мы являемся независимыми по отношению к Обществу в соответствии с Правилами независимости аудиторов и аудиторских организаций и Кодексом профессиональной этики аудиторов, соответствующими Кодексу этики профессиональных бухгалтеров, разработанному Советом по международным стандартам этики для профессиональных бухгалтеров, и нами выполнены прочие иные обязанности в соответствии с этими требованиями профессиональной этики. Мы полагаем, что полученные нами аудиторские доказательства являются достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения.

Ключевые вопросы аудита

Ключевые вопросы аудита – это вопросы, которые, согласно нашему профессиональному суждению, являлись наиболее значимыми для нашего аудита годовой финансовой отчетности за текущий период. Эти вопросы были рассмотрены в контексте нашего аудита годовой финансовой отчетности в целом и при формировании нашего мнения об этой отчетности, и мы не выражаем отдельного мнения об этих вопросах.

Общество для формирования отчетности по МСФО использовало метод трансформационных корректировок, выполненных привлеченным специалистом по МСФО.

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Мы провели аудиторские процедуры проверки правильности указанных корректировок, их влияния на достоверность финансовой отчетности.

Общество осуществило пересчет показателей отчетности в валюту представления, отличную от функциональной валюты. Функциональной валютой Общества является российский рубль, валютой представления отчетности является ЕВРО. Пересчет показателей отчетности осуществлен в соответствии с требованиями МСФО (IAS) 21 «Влияние изменения валютных курсов», при этом для пересчета отчета о совокупном доходе использовался средний курс за период. Мы провели проверку корректности пересчета показателей отчетности в валюту представления.

Ответственность руководства аудируемого лица за годовую финансовую отчетность

Руководство несет ответственность за подготовку и достоверное представление данной годовой финансовой отчетности в соответствии с МСФО и за систему внутреннего контроля, которую руководство считает необходимой для подготовки годовой финансовой отчетности, не содержащей существенных искажений вследствие недобросовестных действий или ошибок.

При подготовке годовой финансовой отчетности руководство несет ответственность за оценку способности Общества продолжать непрерывно свою деятельность, за раскрытие в соответствующих случаях сведений, относящихся к непрерывности деятельности, и за составление отчетности на основе допущения о непрерывности деятельности, за исключением случаев, когда руководство намеревается ликвидировать Общество, прекратить его деятельность или когда у него отсутствует какая-либо иная реальная альтернатива, кроме ликвидации или прекращения деятельности.

Ответственность аудитора за аудит годовой финансовой отчетности

Наша цель состоит в получении разумной уверенности в том, что годовая финансовая отчетность не содержит существенных искажений вследствие недобросовестных действий или ошибок, и в составлении аудиторского заключения, содержащего наше мнение. Разумная уверенность представляет собой высокую степень уверенности, но не является гарантией того, что аудит, проведенный в соответствии с МСА, всегда выявляет существенные искажения при их наличии. Искажения могут быть результатом недобросовестных действий или ошибок и считаются существенными, если можно обоснованно предположить, что в отдельности или в совокупности они могут повлиять на экономические решения пользователей, принимаемые на основе этой годовой финансовой отчетности.

В рамках аудита, проводимого в соответствии с МСА, мы применяем профессиональное суждение и сохраняем профессиональный скептицизм на протяжении всего аудита. Кроме того, мы выполняем следующее:

а) выявляем и оцениваем риски существенного искажения годовой финансовой отчетности вследствие недобросовестных действий или ошибок; разрабатываем и проводим аудиторские процедуры в ответ на эти риски; получаем аудиторские доказательства, являющиеся достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения. Риск необнаружения существенного искажения в результате

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недобросовестных действий выше, чем риск необнаружения существенного искажения в результате ошибки, так как недобросовестные действия могут включать сговор, подлог, умышленный пропуск, искаженное представление информации или действия в обход системы внутреннего контроля;

б) получаем понимание системы внутреннего контроля, имеющей значение для аудита, с целью разработки аудиторских процедур, соответствующих обстоятельствам, но не с целью выражения мнения об эффективности системы внутреннего контроля аудируемого лица;

в) оцениваем надлежащий характер применяемой учетной политики, обоснованность бухгалтерских оценок и соответствующего раскрытия информации, подготовленного руководством аудируемого лица;

г) делаем вывод о правомерности применения руководством аудируемого лица допущения о непрерывности деятельности, а на основании полученных аудиторских доказательств – вывод о том, имеется ли существенная неопределенность в связи с событиями или условиями, в результате которых могут возникнуть значительные сомнения в способности аудируемого лица продолжать непрерывно свою деятельность. Если мы приходим к выводу о наличии существенной неопределенности, мы должны привлечь внимание в нашем аудиторском заключении к соответствующему раскрытию информации в годовой финансовой отчетности или, если такое раскрытие информации является ненадлежащим, модифицировать наше мнение. Наши выводы основаны на аудиторских доказательствах, полученных до даты нашего аудиторского заключения. Однако будущие события или условия могут привести к тому, что аудируемое лицо утратит способность продолжать непрерывно свою деятельность;

д) проводим оценку представления годовой финансовой отчетности в целом, ее структуры и содержания, включая раскрытие информации, а также того, представляет ли годовая финансовая отчетность лежащие в ее основе операции и события так, чтобы было обеспечено их достоверное представление;

Мы осуществляем информационное взаимодействие с руководством аудируемого лица, доводя до их сведения, помимо прочего, информацию о запланированном объеме и сроках аудита, а также о существенных замечаниях по результатам аудита, в том числе о значительных недостатках системы внутреннего контроля, которые мы выявляем в процессе аудита.

Мы также предоставляем руководству аудируемого лица заявление о том, что мы соблюдали все соответствующие этические требования в отношении независимости и информировали этих лиц обо всех взаимоотношениях и прочих вопросах, которые можно обоснованно считать оказывающими влияние на независимость аудитора, а в необходимых случаях – о соответствующих мерах предосторожности.

Из тех вопросов, которые мы довели до сведения руководства аудируемого лица, мы определили вопросы которые были наиболее значимы для аудита годовой финансовой отчетности за текущий период и, следовательно, являются ключевыми вопросами аудита. Мы описываем эти вопросы в нашем аудиторском заключении, кроме случаев, когда публичное раскрытие информации об этих вопросах запрещено законом или нормативным актом, или когда в крайне редких случаях мы приходим к выводу о том, что информация о

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каком-либо вопросе не должна быть сообщена в нашем заключении, так как можно обоснованно предположить, что отрицательные последствия сообщения такой информации превысят общественно значимую пользу от ее сообщения.

Руководитель задания по аудиту,
по результатам которого составлено
аудиторское заключение,



В.И. Королева

Руководитель аудиторской организации
Управляющий партнер
ООО «Аудиторская группа «Ваш СоветникЪ»



Ф.В. Гладкий

Аудиторская организация:
ООО «Аудиторская группа «Ваш СоветникЪ»,
ОГРН 1112310003992,
350015, Краснодарский край, г. Краснодар, ул. Красная, 154, 4 этаж,
член саморегулируемой организации Ассоциация «Содружество»,
ОРНЗ 11606068708

«20» марта 2018 года

Всего сброшюровано 54 листов.



Financial statements

LTD Company KARATZIS RUS
for the year ended 31 December 2017
prepared in accordance with IFRS

(Report currency - Euro, in absolute values)

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"KARATZIS RUS" LTD

STATEMENT OF COMPREHENSIVE INCOME

(In EURO, unless otherwise indicated)

	Notes	01/01/2017-31/12/2017 Weighted average exchange rate EURO 65,9014	22/04/2016-31/12/2016 Weighted average exchange rate EURO 71,1678
Revenues from sales	7	648 354	105 698
Cost of sales	8	(567 170)	(84 243)
Gross profit		81 184	21 455
Commercial and administrative expenses	9	(70 371)	(37 270)
Other operating income	10	5 865	3 096
Other operating expenses	11	(16 984)	(6 720)
Operating profit		(305)	(19 438)
Financial expenses		-	
Financial income		-	
Income from revaluation of investment property		-	
Profit before taxation		(305)	(19 438)
(Expense) / Income Tax Savings	12	(948)	2 736
PROFIT (LOSS) FOR THE YEAR		(1 253)	(16 702)
Profit / (loss) for the period due:			
To the owners of the company		(1 253)	(16 702)
Exchange translation reserve		10 237	22 774
Total comprehensive income for the year attributable to:			
To the owners of the company		8 984	6 072

"KARATZIS RUS" LTD

STATEMENT OF COMPREHENSIVE INCOME

(In RUBLE, unless otherwise indicated)

Exchange rate-65,9014

Exchange rate-71,1678

	Notes	01/01/2017-31/12/2017	22/04/2016-31/12/2016
Revenues from sales	7	42 727 435	7 522 325
Cost of sales	8	(37 377 266)	(5 995 359)
Gross profit		5 350 169	1 526 966
Commercial and administrative expenses	9	(4 637 529)	(2 652 392)
Other operating income	10	386 505	220 343
Other operating expenses	11	(1 119 248)	(478 263)
Operating profit		(20 103)	(1 383 346)
Financial expenses		-	
Financial income		-	
Income from revaluation of investment property		-	
Profit before taxation		(20 103)	(1 383 346)
(Expense) / Income Tax Savings	12	(62 441)	194 698
PROFIT (LOSS) FOR THE YEAR		(82 544)	(1 188 648)
Profit / (loss) for the period due:			
To the owners of the company		(82 544)	(1 188 648)
Exchange translation reserve			
Total comprehensive income for the year attributable to:			
To the owners of the company		(82 544)	(1 188 648)

"KARATZIS RUS" LTD

STATEMENT OF FINANCIAL POSITION

(In EURO, unless otherwise indicated)

	Notes	31/12/2017	31/12/2016
ASSETS			
Fixed assets			
Fixed assets	13	2 185	2 369
Deferred tax assets	12	2 313	3 051
		4 499	5 420
Current assets			
Inventories	14	75 200	65 116
Trade and other receivables	15	22 337	5 541
Other taxes on reimbursement and prepayment of taxes	16	15 100	9 149
Cash and cash equivalents	17	65 628	91 257
		178 265	171 063
Total assets		182 764	176 483
CAPITAL AND LIABILITIES			
Capital and reserves			
Authorized capital	18	163 356	163 356
Additional capital		8 566	
Exchange translation reserve		10 237	22 774
Retained earnings		(17 955)	(16 702)
Total capital		164 205	169 428
long term duties			
Long-term loans and borrowings		-	
Deferred tax liabilities		-	
		-	
Current responsibility			
Trade and other payables	19	13 355	1 898
Indebtedness for other taxes	20	555	188
Reserves for future expenses and payments	21	4 650	4 969
Total liabilities		18 559	7 055
Total capital and liabilities		182 764	176 483

"KARATZIS RUS" LTD

STATEMENT OF FINANCIAL POSITION

(In RUBLE, unless otherwise indicated)

Exchange rate 31.12.2016– 63,8111

Exchange rate 31.12.2017 – 68,8668

	Notes	31/12/2017	31/12/2016
ASSETS			
Fixed assets			
Fixed assets	13	150 502	151 141
Deferred tax assets	12	159 305	194 698
		309 807	345 839
Current assets			
Inventories	14	5 178 808	4 155 113
Trade and other receivables	15	1 538 253	353 620
Other taxes on reimbursement and prepayment of taxes	16	1 039 896	583 786
Cash and cash equivalents	17	4 519 581	5 823 187
		12 276 538	10 915 706
Total assets		12 586 345	11 261 544
CAPITAL AND LIABILITIES			
Capital and reserves			
Authorized capital	18	12 000 000	12 000 000
Additional capital		579 433	
Retained earnings		(1 271 191)	(1 188 648)
Total capital		11 308 242	10 811 352
long term duties			
Long-term loans and borrowings		-	
Deferred tax liabilities		-	
		-	
Current responsibility			
Trade and other payables	19	919 702	121 137
Indebtedness for other taxes	20	38 187	11 998
Reserves for future expenses and payments	21	320 214	317 057
Total liabilities		1 278 103	450 192
Total capital and liabilities		12 586 345	11 261 544

"KARATZIS RUS" LTD

STATEMENT OF CHANGES IN CAPITAL

(In EURO, unless otherwise indicated)

	Authorized capital	Additional capital	Retained earnings	Exchange translation reserve	Total capital
Balance as of January 01, 2017	163 356		(16 702)	22 774	169 428
Changes for the period	-	8 566	(1 253)	(12 537)	(5 223)
Balance at December 31, 2017	163 356	8 566	(17 955)	10 237	164 205
Обменный курс	73,4592	67,6434	65,9014		68,8668
	Authorized capital	Additional capital	Retained earnings	Exchange translation reserve	Total capital
Balance as of April 22, 2016	-		-	-	-
Changes for the period	163 356		(16 702)	22 774	169 428
Balance at December 31, 2016	163 356		(16 702)	22 774	169 428
Обменный курс	73,4592		71,1678		63,8111

STATEMENT OF CHANGES IN CAPITAL

(In RUBLE, unless otherwise indicated)

	Authorized capital	Additional capital	Retained earnings	Exchange translation reserve	Total capital
Balance as of January 01, 2017	12 000 000		(1 188 648)	-	10 811 352
Changes for the period	-	579 433	(82 544)		496 890
Balance at December 31, 2017	12 000 000	579 433	(1 271 191)		11 308 242
	Authorized capital	Additional capital	Retained earnings	Exchange translation reserve	Total capital
Balance as of April 22, 2016	-		-	-	-
Changes for the period	12 000 000		(1 188 648)		10 811 352
Balance at December 31, 2016	12 000 000		(1 188 648)		10 811 352

"KARATZIS RUS" LTD

STATEMENT OF CASH FLOWS

(In EURO, unless otherwise indicated)

	01/01/2017 – 31/12/2017	22/04/2016 – 31/12/2016
Balance at the beginning of period	91 257	
<i>Proceeds from the sale of goods and services</i>	771 533	126 218
<i>Payroll and Social Payments</i>	(44 367)	(19 934)
<i>Acquisition of goods and services</i>	(581 268)	(144 097)
<i>Customs payments</i>	(170 427)	(39 965)
<i>Bank Fees for Banking Services</i>	(4 102)	(1 051)
<i>Other payments</i>	(1 006)	(400)
Cash flow from operating activities	(29 637)	(79 220)
<i>Acquisition of fixed assets</i>	(938)	(2 391)
Net cash flows from investing activities	(938)	(2 391)
<i>Loans received</i>		135
<i>Proceeds from issue of shares, increase in participation interests</i>		160 925
<i>Return of loans</i>		(135)
<i>Interest paid</i>	-	
<i>Financial assistance from the founder</i>	8 566	
Net cash flow from financing activities	8 566	160 925
Net cash flow	(22 008)	79 314
<i>Recalculation of cash balances (exchange difference)</i>	(3 621)	11 943
Balance at end of period	65 628	91 257

Note:

<i>Transformation exchange difference in 2017</i>	– 965
<i>Transformation exchange difference in 2016</i>	– 13 249

"KARATZIS RUS" LTD

STATEMENT OF CASH FLOWS

(In RUBLE, unless otherwise indicated)

	01/01/2017 – 31/12/2017	22/04/2016 – 31/12/2016
Balance at the beginning of period	5 823 187	
<i>Proceeds from the sale of goods and services</i>	50 330 582	8 843 146
<i>Payroll and Social Payments</i>	(2 907 341)	(1 400 482)
<i>Acquisition of goods and services</i>	(38 123 029)	(10 355 838)
<i>Customs payments</i>	(10 870 647)	(2 905 323)
<i>Bank Fees for Banking Services</i>	(269 443)	(75 642)
<i>Other payments</i>	(67 463)	(28 200)
Cash flow from operating activities	(1 907 340)	(5 922 339)
<i>Acquisition of fixed assets</i>	(58 754)	(171 088)
Net cash flows from investing activities	(58 754)	(171 088)
<i>Loans received</i>		10 000
<i>Proceeds from issue of shares, increase in participation interests</i>		12 000 000
<i>Return of loans</i>		(10 000)
<i>Interest paid</i>		
<i>Financial assistance from the founder</i>	579 433	
Net cash flow from financing activities	579 433	12 000 000
Net cash flow	(1 386 661)	5 906 573
<i>Recalculation of cash balances (exchange difference)</i>	83 055	(83 886)
Balance at end of period	4 519 581	5 823 187

"KARATZIS RUS" LTD
NOTES TO THE FINANCIAL STATEMENTS
(In euro, unless otherwise indicated)

1. GENERAL INFORMATION

"KARATZIS RUS" Ltd. (hereinafter referred to as the Company) is a trading company, has been operating since April 22, 2016. It is a subsidiary of KARATZIS SA - INDUSTRIAL & HOTEL ENTEPRISES. Legal address: 350037, Russia, Krasnodar region, city Krasnodar, x. Lenina, post office 37. The main activity is wholesale trade, non-specialized. The company rents an office space on an operating lease, does not have branches.

2. CONDITIONS OF IMPLEMENTATION OF ACTIVITIES

"KARATZIS RUS" Ltd. operates in the Russian Federation. Accordingly, the business of the Company is influenced by the economy and financial markets of the Russian Federation, which have certain properties of the developing market. Russia continues to carry out economic reforms and develop its legal, taxation and legislative framework in accordance with the needs of a market economy, but they involve a risk of ambiguity in the interpretation of their requirements, which, moreover, are subject to frequent changes, which, together with other legal and fiscal barriers, creates additional Problems for businesses that conduct business in the Russian Federation.

The future stability of the Russian economy largely depends on these reforms and achievements, as well as on the effectiveness of economic, financial and monetary activities undertaken by the government. The Russian economy is weakly protected from market downturns and slowing economic development in other parts of the world. In 2017, the Russian government continued to take measures to support the economy in order to overcome the consequences of the global financial crisis.

The presented financial statements reflect the management's view on the impact of the business environment in the Russian Federation on the activities and financial position of the Company. The future economic development of the Russian Federation depends on external factors and measures of an internal nature undertaken by the government to support growth and introduce changes in the tax, legal and regulatory framework. The management believes that it takes all the necessary measures to support the sustainability and development of the Company's business in the current conditions prevailing in business and the economy.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation of financial statements. These financial statements have been prepared in accordance with International Financial Reporting Standards, including all International Financial Reporting Standards (IFRS) International Financial Reporting Standards and Interpretations adopted and effective in the reporting period, and are in full compliance with them. The national currency of the Russian Federation is the Russian ruble (hereinafter - the rubles), and the same currency is the Company's functional currency. The currency in which these financial statements are presented is EUR.

The company was registered on April 22, 2016 and the date of transition of KARATZIS RUS Ltd to IFRS is April 22, 2016. The transition to IFRS has been made in accordance with the provisions of IFRS

4. BASIC REGULATIONS OF ACCOUNTING POLICIES

4.1 Revenues

The amount of proceeds from the sale of goods and services in the ordinary course of business is measured at the fair value of the consideration received or receivable, less returns and all trade discounts provided. Revenues from the sale of goods are recognized when all the following conditions are met:

Revenues from the sale of goods are recognized when all the following conditions are met:

"KARATZIS RUS" LTD
NOTES TO THE FINANCIAL STATEMENTS
(In euro, unless otherwise indicated)

- all significant risks and rewards of ownership are transferred from the Company to the buyer;
- The company does not retain any further managerial functions to the extent that it is usually associated with the ownership right, nor actual control over the goods sold;
- the amount of revenue can be reliably estimated;
- it is probable that future economic benefits associated with the transaction will flow; and
- the costs that have been incurred or will be incurred in connection with the transaction can be measured reliably.

4.2 Income Taxes

The income tax expense includes current tax and deferred tax. Current and deferred income taxes are recognized in profit or loss for the period, except for those that relate to a business combination or to transactions that are recognized directly in equity or in other comprehensive income.

Current income tax is the amount of tax payable or receivable in respect of taxable profit or tax loss for the year that is calculated on the basis of existing tax rates that have been enacted or substantively enacted at the reporting date as well as all adjustments to the amount of the tax liability On profit for the past years, which is subject to collection by the tax authorities or payment to them.

Deferred tax is provided using the balance sheet liability method for temporary differences arising between the carrying amount of assets and liabilities designated for the purpose of their presentation in the financial statements and their tax base. Deferred tax is not recognized for the following temporary differences: differences arising on the initial recognition of assets and liabilities as a result of a transaction that is not a business combination and that does not affect either accounting or taxable profit or tax loss.

4.3 Property, plant and equipment

For all fixed assets, the Company has selected a cost model for accounting. According to the professional judgment of the Company's management, the fair value was consistent with the cost of acquisition of assets, since there were no significant signs of impairment of these assets in the reporting period.

Depreciation of other items of property, plant and equipment is calculated using the straight-line method used to write off the original value of property, plant and equipment to their residual value. Depreciation periods that approximate the estimated useful lives of the related assets are shown in the table below:

Machinery and equipment (office equipment and equipment)	3-15 years
--	------------

The liquidation value of an asset is an estimate of the amount that the Company would currently receive from the sale of an asset, less estimated selling costs, on the assumption that the asset's age and technical condition are already in line with the expected useful life at the end of its useful life. For fixed assets, the Company has determined the liquidation value to be zero.

The management of the Company assesses the residual useful life of property, plant and equipment in accordance with the current technical condition of fixed assets and the evaluation of the period during which the fixed assets will bring economic benefits to the Company.

4.4 Financial assets

The Company classifies its financial assets as follows: financial instruments carried at fair value; Loans and receivables.

The category "loans and receivables" is non-derivative financial assets that are not quoted in an active market with fixed or determinable payments, except for those that the Company intends to sell in the near future.

Initial recognition of financial instruments. Initially, financial assets and liabilities are recognized at fair value plus transaction costs incurred. The best confirmation of the fair value at initial recognition is the price

"KARATZIS RUS" LTD
NOTES TO THE FINANCIAL STATEMENTS
(In euro, unless otherwise indicated)

of the transaction. A gain or loss is recognized at the time of initial recognition only if there is a difference between the fair value and the transaction price that can be confirmed by other transactions currently observable on the market with a similar financial instrument or valuation method in which the incoming variables are used only observable market data.

The purchase or sale of financial assets, the transfer of which is provided within the timeframe established by the laws or regulations of this market (purchase and sale on standard terms), are recognized on the date of the transaction, that is, on the date that the Company assumed the obligation to transfer the financial asset. All other acquisitions are recognized when the company becomes a party to the contract with respect to this financial instrument.

Classification of financial assets. Financial assets are allocated to the following accounting categories: (a) loans and receivables, (b) available-for-sale financial assets, (c) financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are divided into two subcategories: (i) assets classified in this category from the time of initial recognition and (ii) assets classified as held for trading. The assignment of financial assets to a particular class depends on their characteristics and the purpose of the acquisition and occurs when they are taken into account.

Loans and receivables are unquoted non-derivative financial assets with fixed or determinable payments.

Derecognition of financial assets. The Company ceases to account for financial assets, (a) when those assets are redeemed or the rights to cash flows associated with those assets expired or (b) the Company transferred the rights to cash flows from financial assets or entered into a transfer agreement, and (i) also Transferred all significant risks and rewards incidental to the ownership of these assets, or (ii) did not transfer or retain all significant risks and rewards incidental to the ownership of those assets, but lost the right to control those assets. Control is maintained if the counterparty does not have the practical ability to fully sell the asset to an unrelated third party without the need to impose additional restrictions on the sale.

4.5 Inventory

Inventories in accordance with IFRS 2 are accounted for at the lower of cost and net realizable value. The cost of inventories is determined using the weighted average method.

The net selling price is the estimated selling price in the ordinary course of business, less the costs of completing the production and selling costs

In reporting, inventories are valued at cost, which is lower than the net selling price at the time of reporting. The management of the company considered that this method will lead to a more appropriate presentation of the Inventory in the financial statements.

4.6 Advances issued

Advances issued are classified as long-term if the expected period for the receipt of goods or services related to them exceeds one year or if advances relate to an asset that will be recorded as a non-current asset upon initial recognition. Prepayment of services is included in the cost of the period or in the value of assets as they receive these services. If there is a sign that the assets, goods or services relating to advances issued will not be received, the carrying amount of advances issued is subject to reduction and the related impairment loss is recognized in profit or loss for the year as part of the line "other operating expenses, net".

4.7. Trade receivables and other receivables

Long-term operating liabilities and other long-term receivables are carried at amortized cost using the effective interest method.

4.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand, funds on demand bank accounts.

"KARATZIS RUS" LTD
NOTES TO THE FINANCIAL STATEMENTS
(In euro, unless otherwise indicated)

4.9 Statutory capital

The shares of the participants are reflected in the line "Authorized capital" in equity.

4.10 Leases

The company acts as a lessee - operating lease

Leases in which the Company does not transfer substantially all the risks and benefits of owning the asset are classified as operating leases. Payments for operating leases are treated as equal portions of the profit over the term of the lease.

4.11 Trade payables and other payables

Arrears in core business are accrued upon the fact that the counterparty performed its contractual obligations and is accounted for at amortized cost using the effective interest method.

4.12 Reserves for future expenses and payments

A provision is recognized if, as a result of an event in the past, the Company has a legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the most accurate estimate of the payments necessary to settle the obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation.

5 KEY ACCOUNTING EVALUATIONS AND PROFESSIONAL JUDGMENTS IN APPLICATION OF ACCOUNTING POLICIES

The Company uses estimates and makes assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are subject to constant critical analysis and are based on past leadership experience and other factors, including expectations of future events that are considered valid under the circumstances. Management also makes use of certain judgments, other than those requiring assessments, in the process of applying accounting policies.

6 APPLICATION OF NEW AND MODIFIED STANDARDS AND INTERPRETATIONS

Standards issued but not yet effective as at the date of issue of the Company's financial statements are listed below. This list of standards and explanations includes standards and explanations that the Company reasonably believes can affect disclosure, financial condition, or financial performance in the future. The company intends to adopt these standards when they come into force.

- **IFRS 9 Financial Instruments.** IFRS 9 is effective for annual periods beginning on or after 1 January 2018. The procedure for classifying financial assets varies, which will depend on the business model of asset management and whether the cash flows provided by the contract include only payments of principal and interest.
- **IFRS 15 Revenue from Contracts with Customers.** IFRS 15 is effective for annual periods beginning on or after 1 January 2018. Standard introduces the key principle of recognizing revenue on the transaction value at the time when the goods or services are transferred to the buyer.
- **IFRS 16 Leases.** IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard establishes principles for the recognition, valuation, presentation and disclosure of lease information that are different from the requirements of the current IAS 17 Lease. The main difference is in establishing the tenant's obligation to recognize the asset in the form of the right to use and the lease obligation, except for short-term leases or leases of low-value assets. The company

"KARATZIS RUS" LTD
NOTES TO THE FINANCIAL STATEMENTS
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concluded a short-term lease agreement for non-residential premises. The company estimated the future impact on the indicators of the statement of financial position as insignificant.

7 REVENUES FROM SALES

	EURO		RUBLE	
	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016
Revenue from the sale of goods	648 354	105 698	42 727 435	7 522 325
Total	648 354	105 698	42 727 435	7 522 325

The buyer, the proceeds from transactions with which is more than 32% of the Company's total sales in the Russian Federation, is the Individual Entrepreneur Sapsay Olga Alexeevna (The amount of revenue is 13 605 799 rubles).

8 COST OF SALES

	EURO		RUBLE	
	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016
Cost of goods	567 170	84 243	37 377 266	5 995 359
Total	567 170	84 243	37 377 266	5 955 359

9 COMMERCIAL AND ADMINISTRATIVE EXPENSES

	EURO		RUBLE	
	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016
Depreciation of fixed assets	901	280	59 393	19 947
Cost of labor and social payments	41 609	20 484	2 742 068	1 457 773
Inventories	2 046	903	134 859	64 236
Transportation	10 070	2 165	663 594	154 058
Communication and Internet services	1 110	394	73 151	28 058
Accounting services	2 704	1 513	178 197	107 690
Rent office	1 655	975	109 067	69 407
Provision for employee benefits	3 546	3 284	233 709	233 709
Provision for unused vacation	1 634	1 171	107 680	83 348
Other expenses	5 096	6 101	335 811	434 166
Total	70 371	37 270	4 637 529	2 652 393

10 OTHER OPERATING INCOME

	EURO		RUBLE	
	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016
Gratuitous receipt of goods	2 231	2 967	147 035	211 169
Other	3 633	129	239 470	9 175
Total	5 865	3 096	386 505	220 344

"KARATZIS RUS" LTD
NOTES TO THE FINANCIAL STATEMENTS
(In euro, unless otherwise indicated)

11 OTHER OPERATING EXPENSES

	EURO		RUBLE	
	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016
Banking services	3 055	928	201 343	66 052
Exchange differences	8 684	1 172	572 313	83 386
Provision for impairment of goods	1 446	588	95 299	41 854
Free transfer of goods	2 839	3 347	187 123	238 206
Taxes		462		32 863
Other	958	223	63 170	15 902
Total	16 984	6 720	1 119 248	478 263

12 INCOME TAX

	EURO		RUBLE	
	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016
Current income tax	(367)	0	(24 153)	0
Deferred income taxes/ Deferred tax assets	(537)	2 736	(35 392)	194 698
Other	(43)		(2 896)	
Total	(948)	2 736	(62 441)	194 698

Deferred tax assets and liabilities

	EURO		RUBLE	
	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016
Deferred tax assets	(510)	3 221	(33 602)	224 926
Deferred tax liabilities	(27)	(485)	(1 790)	(30 228)
Deferred tax assets / liabilities, net	(537)	2 736	(35 392)	194 698

Gains / (losses) on the Company's tax is reconciled as follows:

	EURO		RUBLE	
	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016	01/01/2017- 31/12/2017	22/04/2016- 31/12/2016
Profit before tax	(305)	(19 438)	(20 103)	(1 383 346)
Theoretically calculated tax expense at effective rate	(61)	(3 887)	(4 021)	(276 669)
Deferred tax liabilities	(27)	(485)	(1 790)	(30 228)
Deferred tax assets	(510)	3 221	(33 602)	224 926
Expenses that are not accepted in the reduction of the taxable arrived	266	(1 151)	17 576	(81 971)
Current income tax	367	0	24 153	0

During 2016-2017 the Company's taxable income subject to tax at the rate of 20%.

"KARATZIS RUS" LTD
NOTES TO THE FINANCIAL STATEMENTS
(In euro, unless otherwise indicated)

13 PLANT AND EQUIPMENT

	EURO		RUBLE	
	Machinery and equipment	Total	Machinery and equipment	Total
Initial cost				
Balance as at 22 April 2016 receipts	-	-		
Office equipment, furniture retirement	2 682	2 682	171 088	171 088
Balance at December 31, 2016	2 682	2 682	171 088	171 088

	EURO		RUBLE	
	Machinery and equipment	Total	Machinery and equipment	Total
Accumulated amortization and impairment				
Balance as at 22 April 2016	-	-	-	-
Amortization for the year	(313)	(313)	(19 947)	(19 947)
Balance at December 31, 2016 residual value	(313)	(313)	(19 947)	(19 947)
December 31, 2016	2 369	2 369	151 141	151 141

	EURO		RUBLE	
	Machinery and equipment	Total	Machinery and equipment	Total
Initial cost				
Balance as at 01 January 2017 receipts	2 682	2 682	171 088	171 088
Office equipment, furniture retirement	655	655	58 754	58 754
Balance at December 31, 2017	3 337	3 337	229 842	229 843

	EURO		RUBLE	
	Machinery and equipment	Total	Machinery and equipment	Total
Accumulated amortization and impairment				
Balance as at 01 January 2017	(313)	(313)	(19 947)	(19 947)
Amortization for the year	(839)	(839)	(59 393)	(59 393)
Balance at December 31, 2017 residual value	(1 152)	(1 152)	(79 340)	(79 340)
December 31, 2017	2 185	2 185	150 502	150 502

"KARATZIS RUS" LTD
NOTES TO THE FINANCIAL STATEMENTS
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The company chose the model accounting for the acquisition of fixed assets. The company's management decided that this method will lead to a more appropriate presentation of the financial statements of fixed assets included in this group. The impairment test did not reveal any significant abnormalities. The fair value of fixed assets is not materially different from their carrying amounts.

The group "Machinery and equipment" includes equipment, furniture, computer and office equipment, office equipment.

14 INVENTORIES

	EURO		RUBLE	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Goods	77 192	65 772	5 315 961	4 196 967
Provision for impairment of goods	(1 992)	(656)	(137 153)	(41 854)
Less provision for impairment of goods	75 200	65 116	5 178 808	4 155 113
Total	75 200	65 116	5 178 808	4 155 113

The balance of goods at 31 December 2017, subject to gratuitous transfer of customers (selling price 0), provision has been made for impairment in the carrying amount of these goods. These remnants of the goods are intragroup acquisitions from the parent company.

Movement of inventories is presented below:

	EURO		RUBLE	
	Goods	Total	Goods	Total
Movement of inventories				
Balance as at 22 April 2016	-	-	-	-
Receipts	163 460	163 460	10 430 533	10 430 533
retirement	97 668	97 688	6 233 566	6 233 566
Balance at December 31, 2016	65 772	65 772	4 196 967	4 196 967

	EURO		RUBLE	
	Goods	Total	Goods	Total
Movement of inventories				
Balance as at 01 January 2017	65 772	65 772	4 196 967	4 196 967
Receipts	558 547	558 547	38 465 344	38 465 344
retirement	547 127	547 127	37 346 350	37 346 350
Balance at December 31, 2017	77 192	77 192	5 315 961	5 315 961

Change in Provision for impairment of goods:

"KARATZIS RUS" LTD
NOTES TO THE FINANCIAL STATEMENTS
(In euro, unless otherwise indicated)

	EURO		RUBLE	
	Provision for impairment of goods	Total	Provision for impairment of goods	Total
Balance as at 22 April 2016	-	-	-	-
Provision created during the year	(656)	(656)	(41 854)	(41 854)
Used reserve	-	-	-	-
Balance at December 31, 2016	(656)	(656)	(41 854)	(41 854)

	EURO		RUBLE	
	Provision for impairment of goods	Total	Provision for impairment of goods	Total
Balance as at 01 January 2017	(656)	(656)	(41 854)	(41 854)
Provision created during the year	(1 336)	(1 336)	(95 299)	(95 299)
Used reserve	-	-	-	-
Balance at December 31, 2017	(1 992)	(1 992)	(137 153)	(137 153)

15 TRADE AND OTHER RECEIVABLES

	EURO		RUBLE	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Other receivables	22 337	5 541	1 538 253	353 599
Total	22 337	5 541	1 538 253	353 599

The fair value of short-term receivables is not materially different from their carrying amounts.

16 OTHER TAXES RECEIVABLE AND PREPAID

	EURO		RUBLE	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Income tax	1 012		69 678	
Value added tax	14 088	9 149	970 218	583 786
Total	15 100	9 149	1 039 896	583 786

17 CASH AND CASH EQUIVALENTS

	EURO		RUBLE	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Cash in rubles in bank accounts	65 628	91 257	4 519 581	5 823 187
Total	65 628	91 257	4 519 581	5 823 187

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18 SHARE CAPITAL

	EURO		RUBLE	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Authorized capital	163 356	163 356	12 000 000	12 000 000
Including:				
Parent company - 90%	147 020	147 020	10 800 000	10 800 000
A natural person (Golovko SN) - 10%	16 336	16 336	1 200 000	1 200 000
Total	163 356	163 356	12 000 000	12 000 000

Share capital at the historical rate - 163 356 euros at the exchange rate on the reporting date - 174 249 euro, Exchange differences on capital transactions - 10 893 euro.

	EURO		RUBLE	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Additional capital	8 566	-	579 433	-
Total	8 566	-	579 433	-

The additional capital is formed upon receiving material assistance from the parent company at the historical rate of 8 566 euro, at the rate at the reporting date 8 414 euro, exchange differences on capital transactions - (152) euros.

19 TRADE AND OTHER PAYABLES

	EURO		RUBLE	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Trade payables	457	822	31 470	52 436
Other payables	12 898	1 076	888 232	68 701
Total	13 355	1 898	919 702	121 137

20 RECEIVABLES Other taxes

	EURO		RUBLE	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
The tax on personal income	133	188	9 130	11 998
Payroll taxes	422		29 057	
Total	555	188	38 187	11 998

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21 PROVISIONS FOR LIABILITIES AND CHARGES

	EURO		RUBLE	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Provision for unused vacation	2 774	1 306	191 028	83 348
Provision for the payment of staff remunerations		3 663		233 709
Provision for future payments	1 876		129 186	
Total	4 650	4 969	320 214	317 057

The movement of reserves are as follows:

	EURO			
	Provision for vacation	Provision for remuneration	Provision for future payments	Total
Balance as at 01 January 2017	1 306	3 663		4 969
Provision created during the year	1 468		1 876	3 344
Used reserve	-	(3 663)		(3 663)
Balance at December 31, 2017	2 774	-	1 876	4 650

	RUBLE			
	Provision for vacation	Provision for remuneration	Provision for future payments	Total
Balance as at 01 January 2017	83 348	233 709		317 057
Provision created during the year	107 680		129 186	236 866
Used reserve		(233 709)		(233 709)
Balance at December 31, 2017	191 028	0	129 186	320 214

22 CONTINGENCIES AND COMMITMENTS AND OPERATING RISKS

Litigation

In the course of business, claims were not brought the Company.

Environmental protection

The Company periodically evaluates its obligations related to environmental protection. As obligations are determined, they are recognized immediately.

The Company's management believes that in the current circumstances and taking into account the current legislation there are no significant liabilities related to environmental damage.

Russian Federation risk

Modern Russian economy is characterized, in particular, phenomena such as low-convertibility of the national currency abroad and economic sanctions in force against Russia. As a result, operations in the Russian Federation involve risks that are not typically in countries with more developed market

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economies. Stability and success of Russian economy and the Company's business is largely dependent upon the effectiveness of economic measures undertaken by the government, as well as the further development of the legal and political systems.

23 FINANCIAL RISK MANAGEMENT

The risk management function of the Company is carried out in respect of financial, operational and legal risks. Financial risks include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The main objective of financial risk management is to establish risk limits, and then ensure that the established limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures of the Company in order to minimize these risks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay all obligations when they fall due. The company carries out the management and control of liquidity. The Company has in place a cash flow forecasting to make available the resources needed to meet its payment obligations.

The risk of price changes

The risk of price changes is that the current or future earnings of the Company may be adversely impacted by changes in market prices for the range of goods. Lower prices may lead to a decrease in net income and cash flows. The Company regularly evaluates possible scenarios for future price fluctuations in commodities and their impact on operational and investment decisions. However, in the current economic situation, management's assessment may differ significantly from the actual impact of changes in commodity prices on the Company's financial position.

Capital Risk Management

The main capital controls, management believes its own funds.
The Company's management regularly reviews indicators of return on equity, long-term financial stability and financial leverage on the basis of data on the amount of profit and other financial indicators.

24 FINANCIAL INSTRUMENTS

The main categories of financial instruments

The main financial liabilities of the Company include trade and other payables. The main purpose of these financial instruments is to raise capital for the Company. "KARATZIS RUS" Ltd. has various financial assets such as trade and other receivables, cash and cash equivalents.

		EURO		RUBLE	
	Прим.	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Financial assets					
Trade and other receivables	15	22 337	5 541	1 538 208	353 620
Cash and cash equivalents	17	65 628	91 257	4 519 581	5 823 187
Total financial assets		87 965	96 798	6 057 789	6 176 807
Financial liabilities					
Trade and other payables	19	13 355	1 898	919 702	121 137
Total financial liabilities		13 355	1 898	919 702	121 137

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25 NUMBER OF STAFF

The number of employees at December 31, 2017 - 2 people.

26 TRANSACTIONS WITH RELATED PARTIES

Intergroup transactions and balances (EURO):

• The amount of intergroup purchases of goods, total	467 661 (1)
Including free receipt of goods	1 707 (1)
• Balance of goods purchased at parent company on the Company's stock, total	68 728 (2)
Including free receipt of goods	1 538
• Debt on intergroup transactions	0
• Accrued income head of the company in the reporting period	33 538 (3)

(1) Is received free samples of the goods from the parent company in terms of the exchange rate at the balance sheet date

(2) The initial value of the in terms of the exchange rate at the balance sheet date

(3) At the rate on the date of transaction

General Director of KARATZIS RUS Ltd.

Golovko S. N.

Date _____