

/Business-Audit/

AUDITOR REPORT
BY THE INDEPENDENT AUDITOR

Audited Entity:

Full name:

FLEX FILMS RUS Limited Liability Company

Short name:

FLEX FILMS RUS LLC

The period audited:

Beginning of the period audited 01/01/2019

End of the period audited 31/03/2019

Moscow 2019

/Business-Audit/

**BUSINESS-AUDIT LLC
AUDIT AND CONSULTING COMPANY**

Member of the accredited under the Ministry of Finance of the Russian Federation Self-Regulatory Organization of Auditors – the Russian Union of Auditors (number in the Register of Auditors and Audit Organizations of Self-Regulatory Organizations – 11103051194)

31 Iskry Str., block 1, floor 2, premise (495) 641-75-35
1, room 59, Moscow, 129344

E-mail: referent@business-audit.ru
Internet: <http://www.business-audit.ru>

**AUDITOR REPORT
to Shareholders of
FLEX FILMS RUS Limited Liability Company**

Opinion

We have audited the attached accounting (financial) statements of FLEX FILMS RUS Limited Liability Company (OGRN 1185022005387, 142821, the Russian Federation, Moscow region, Stupino urban district, Shmatovo village, Industrialnaya Str., plot 4, building 1, premise 5), consisting of the Balance Sheet as of March 31, 2019, the Income Statement for the period from January 01, 2019 to March 31, 2019, the Statement of Changes in Equity for the period from January 01, 2019 to March 31, 2019, the Cash Flow Statement for the period from January 01, 2019 to March 31, 2019.

In our opinion, the attached accounting (financial) statements give a true and fair view, in all material respects, of the financial position of FLEX FILMS RUS Limited Liability Company as of March 31, 2019, its financial performance and cash flow for the period from January 01, 2019 to March 31, 2019 in accordance with the accounting (financial) reporting rules set in the Russian Federation.

Basis for Expression of Opinion

We have carried out the 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 Accounting (Financial) Statements section of this report. We are independent in regards to the audited entity in accordance with the Rules for Independence of Auditors and Audit Organizations and the Code of Professional Ethics for Auditors, which conform to the Code of Ethics for Professional Accountants, developed by the Accounting Professional and Ethical Standards Board, and we have also complied with other obligations in accordance with these requirements as to professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management of the Audited Entity for the Accounting (Financial) Statements

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

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

Auditor's Responsibilities for the Audit of the Accounting (Financial) Statements

Our objective is to obtain reasonable assurance about whether the accounting (financial) statements are free from material misstatement, whether due to fraud or error, and to issue an auditor 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 the 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 accounting (financial) statements.

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

- a) identify and assess the risks of material misstatement of the accounting (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) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the audited entity's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the audited entity's management;
- d) conclude on the appropriateness of use of the going concern basis of accounting by the audited entity's management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the audited entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor report to the related disclosures in the accounting (financial) statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor report. However, future events or conditions may cause the audited entity to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the accounting (financial) statements, including the disclosures, and whether the accounting (financial) statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Director General

Auditor Qualification Certificate

No. 013239, Decision by the Central Attestation
and Licensing Auditing Commission of the Ministry
of Finance of the Russian Federation dated 30/05/1996

Principal Number of Registration Entry 29603036261

[signature] Ye.N. Pavlova

[seal: Moscow *Limited Liability Company * OGRN 1117746087095* Audit and Consulting Company *
BUSINESS-AUDIT]

Audit Company:

AUDIT AND CONSULTING COMPANY "BUSINESS-AUDIT" Limited Liability Company (ACC
"BUSINESS-AUDIT" LLC);

OGRN 1117746087095;

31 Iskry Str., block 1, floor 2, premise 1, room 59, Moscow, 129344;

Member of the accredited under the Ministry of Finance of the Russian Federation Self-Regulatory
Organization of Auditors – the Russian Union of Auditors (number in the Register of Auditors and Audit
Organizations of Self-Regulatory Organizations – 11103051194)

Dated April 23, 2019

Balance Sheet as of March 31, 2019

Organization: *Flex Films Rus LLC*
 Taxpayer identification number
 Type of economic activities: *Production of plastic boards, bands, pipes and extrusions with materials*
 Organizational and legal form/form of ownership: *Limited Liability Company / Mixed foreign ownership*
 Unit of measurement: *thous. RUB*
 Location (address): *5/7 ROZHDESTVENKA STREET. BUILDING 2, MOSCOW, 107031*

	Codes
Form under OKUD	0710001
Date (day, month, year)	31/03/2019
under OKPO	33233972
TTN	5045063426
under OKVED	22.21
under OKOPF/OKFS	12300/27
under OKEI	384

Explanation	Name of the indicator	Code of the line	As of March 31, 2019	As of December 31, 2018	As of December 31, 2017
1	2	3	4	5	6
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	-	-	-
	Research and development results	1120	-	-	-
	Intangible exploration assets	1130	-	-	-
	Tangible exploration assets	1140	-	-	-
	Fixed assets	1150	-	-	-
	Income-bearing investments into tangible assets	1160	-	-	-
	Financial investments	1170	-	-	-
	Deferred tax assets	1180	4	3	-
	Other non-current assets	1190	200.350	770	-
	Total Section I	1100	200.354	773	-
	II. CURRENT ASSETS				
	Inventory	1210	-	-	-
	Value added tax on the acquired assets	1220	5.054	136	-
	Receivables	1230	35.458	-	-
	Financial investments (excluding cash equivalents)	1240	-	-	-
	Cash and cash equivalents	1250	4.945	19.789	-
	Other current assets	1260	-	59.079	-
	Total Section II	1200	45.457	79.004	-
	BALANCE	1600	245.811	79.777	-

Explanation	Name of the indicator	Code of the line	As of March 31, 2019	As of December 31, 2018	As of December 31, 2017
1	2	3	4	5	6
	LIABILITIES				
	III. EQUITY				
	Equity capital	1310	220.800	10	-
	Shares repurchased	1320	-	-	-
	Revaluation of non-current assets	1340	-	-	-
	Capital surplus (without revaluation)	1350	(776)	-	-
	Reserve funds	1360	-	-	-
	Retained earnings (outstanding loss)	1370	901	(4)	-
	Total Section III	1300	220.925	6	-
	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410	-	-	-
	Deferred tax liabilities	1420	3	2	-
	Estimated liabilities	1430	-	-	-
	Other liabilities	1450	-	-	-
	Total Section IV	1400	3	2	-
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510	-	903	-
	Payables	1520	24.872	78.866	-
	Deferred revenues	1530	-	-	-
	Estimated liabilities	1540	11	-	-
	Other liabilities	1550	-	-	-
	Total Section V	1500	24.883	79.769	-
	BALANCE	1700	245.811	79.777	-

Head [signature]

Chief Accountant [signature] U.P. Zavorotnaya

Dated April 22, 2019 *Khan Dzhunaid*

[seal: FLEX FILMS RUS * Limited Liability Company * Stupino]

Income Statement for January-March 2019

Organization: *Flex Films Rus LLC*
 Taxpayer identification number
 Type of economic activities: *Production of plastic boards, bands, pipes and extrusions*
 Organizational and legal form/form of ownership: *Limited Liability Company / Mixed foreign ownership*
 Unit of measurement: *thous. RUB*

Form under OKUD	Codes
year)	0710002
TIN	31/03/2019
	33233972
	5045063426
	22.21
	12300/27
	384

Explanation	Name of the indicator	Code of the line	January-March 2019	2018
1	2	3	4	5
	Revenue	2110	-	-
	Cost of sales	2120	-	-
	Gross profit (loss)	2100	-	-
	Selling and marketing expenses	2210	-	-
	Administrative costs	2220	(943)	(3)
	Profit (loss) on sales	2200	(943)	(3)
	Income from shareholdings	2310	-	-
	Interest receivable	2320	54	-
	Interest payable	2330	-	-
	Other income	2340	61.139	19.784
	Other costs	2350	(59.105)	(19.786)
	Income (loss) before tax	2300	1.145	(5)
	Current income tax	2410	(240)	-
	incl. Permanent tax liabilities (assets)	2421	11	-
	Changes in deferred tax liabilities	2430	(1)	(2)
	Changes in deferred tax assets	2450	1	3
	Other	2460	-	-
	Net profit (loss)	2400	905	(4)

Explanation	Name of the indicator	Code of the line	January-March 2019	2018
1	2	3	4	5
	Surplus on revaluation of non-current assets not included in the net profit (loss) of the period	2510	-	-
	Result from other operations not included in the net profit (loss) of the period	2520	-	-
	Total profit/loss for the period	2500	905	(4)
	FOR REFERENCE			
	Basic earnings (loss) per share	2900	-	-
	Diluted earnings (loss) per share	2910	-	-

Head [signature]

Chief Accountant [signature] U.P. Zavorotnaya

Dated April 22, 2019 *Khan Dzhunaid*

[seal: FLEX FILMS RUS * Limited Liability Company * Stupino]

Statement of Changes in Equity for January-March 2019

Organization: Ellex Films Rus LLC

Taxpayer identification number

Type of economic activities: Production of plastic boards, bands, pipes and extrusions

Organizational and legal form/form of ownership: Limited Liability Company / Mixed foreign ownership

Unit of measurement: thous. RUB

Codes
0710003
31/03/2019
33233972
5045063426
22.21
12300/27
384

Form under OKUD
Date (day, month, year)
under OKPO
TIN
under OKVED
under OKOPF/OKFS
under OKEI

1. Capital Movements

Explanation	Name of the indicator	Code of the line	Equity capital	Own shares repurchased from shareholders (members)	Additional capital	Reserve funds	Retained earnings (outstanding loss)	Total
			4	5	6	7	8	9
1	2	3						
	Capital as of January 31, 2017	3100	-	-	-	-	-	-
	For 2018							
	Capital increase - total:	3210	10	-	-	-	-	10
	including:							
	net profit	3211	x	x	x	x	-	-
	revaluation of assets	3212	x	x	-	x	-	-
	income attributed directly to capital increase	3213	x	x	-	x	-	-
	additional share issue	3214	-	x	-	x	x	-
	increase in the nominal value of each share	3215	-	x	-	x	-	-
	restructuring of the legal entity	3216	-	-	-	-	-	-
	placement of repurchased shares	3217	x	-	x	x	x	-
	equity capital formation	3218	10	x	-	x	x	10
	Capital decrease - total:	3220	-	-	-	-	(4)	(4)
	including:							
	loss	3221	x	x	x	x	(4)	(4)
	revaluation of assets	3222	x	x	-	x	-	-
	costs attributed directly to capital decrease	3223	x	x	-	x	-	-
	decrease in the nominal value of each share	3224	-	x	-	x	-	-
	reduction in the number of shares	3225	-	-	-	x	-	-
	restructuring of the legal entity	3226	-	-	-	-	-	-
	dividends	3227	x	x	x	x	-	-
	repurchase of own shares	3228	x	-	x	x	x	-
	Change in the additional capital	3230	x	x	-	x	-	x
	Change in the reserve funds	3240	x	x	x	-	-	x
	Capital as of December 31, 2018	3200	10	-	-	-	(4)	6
	For January-March 2019							
	Capital increase - total:	3310	220,790	-	-	-	905	221,695
	including:							
	net profit	3311	x	x	x	x	905	905

2. Adjustments due to change in the accounting policy and correction of errors

Explanation	Name of the indicator	Code of the line	As of December 31, 2018	Change in the capital for January-March 2019		As of March 31, 2019
				due to net profit (loss)	due to other factors	
1	2	3	4	5	6	7
	Capital – total					
	before adjustments	3400				
	adjustment due to:					
	change in the accounting policy	3410	-	-	-	-
	correction of errors	3420	-	-	-	-
	after adjustments	3500	-	-	-	-
	including:					
	Retained earnings (outstanding loss):					
	before adjustments	3401	-	-	-	-
	adjustment due to:					
	change in the accounting policy	3411	-	-	-	-
	correction of errors	3421	-	-	-	-
	after adjustments	3501	-	-	-	-
	Other capital items, for which adjustments have been made: (by items) [specific accounting statement shall include name of specific capital item]					
	before adjustments	3402	-	-	-	-
	adjustment due to:					
	change in the accounting policy	3412	-	-	-	-
	correction of errors	3422	-	-	-	-
	after adjustments	3502	-	-	-	-

3. Net assets

Explanation	Name of the indicator	Code of the line	As of March 31, 2019		As of December 31, 2018	
			3	4	5	6
1	2	3	4	5	6	7
	Net assets	3600		220.925		

Head [signature] *Khan Dzhumaid* Chief Accountant [signature] U.P. Zavorotnaya

Dated April 22, 2019

[seal: FLEX FILMS RUS * Limited Liability Company * Stupino]

Cash Flow Statement for January-March 2019

Organization: *Flex Films Rus LLC*
 Taxpayer identification number
 Type of economic activities: *Production of plastic boards, bands, pipes and extrusions*
 Organizational and legal form/form of ownership: *Limited Liability Company / Mixed foreign ownership*
 Unit of measurement: *thous. RUB*

Form under OKUD
 Date (day, month, year)

TIN

Codes
0710004
31/03/2019
33233972
5045063426
22.21
12300/27
384

Explanation	Name of the indicator	Code of the line	For January-March 2019	For 2018
1	2	3	4	5
	Cash flow from operating activities			
	Revenues – total	4110	59.133	19.784
	including:			
	from sale of products, goods, works and services	4111	-	-
	rental payments, license fees, royalties, commission fees and other similar payments	4112	-	-
	from resale of financial investments	4113	-	-
	other revenues	4119	59.133	19.784
	Payments – total	4120	(37.099)	(141)
	including:			
	to suppliers (contractors) for raw materials, supplies, works, services	4121	(1.035)	-
	in connection with payment for the labor of workers	4122	-	-
	interest on debt obligations	4123	(16)	-
	corporate income tax	4124	-	-
	other payments	4129	(36.048)	(141)
	Balance from operating activities cash flow	4100	22.034	19.643
	Cash flow from investing activities			
	Revenues – total	4210	-	-
	including:			
	from sale of non-current assets (except for financial investments)	4211	-	-
	from sale of shares of other organizations (equity shares)	4212	-	-
	from repayment of loans granted, from sale of debt securities (rights of claim on financial assets against other entities)	4213	-	-
	dividends, interest on debt-based financial investments and similar revenues from share interest in other organizations	4214	-	-
	other revenues	4219	-	-
	Payments – total	4220	(179.197)	(756)
	including:			
	in connection with acquisition, creation, modernization, reconstruction and preparation for use of non-current assets	4221	(179.197)	(756)
	in connection with acquisition of shares of other organizations (equity shares)	4222	-	-
	in connection with acquisition of debt securities (rights of claim on financial assets against other entities), granting of loans to other entities	4223	-	-
	interest on the debt obligations, included in the value of the investment asset	4224	-	-
	other payments	4229	-	-
	Balance from investing activities cash flow	4200	(179.197)	(756)
	Cash flow from financing activities			
	Revenues – total	4310	-	-
	including:			
	obtaining of credits and loans	4311	-	892
	monetary contributions by holders (members)	4312	141.151	10
	from issue of shares, increase in equity shares	4313	-	-
	from issue of bonds, bills and other debt securities, etc.	4314	-	-
	other revenues	4319	-	-
	Payments – total	4320	(892)	-
	including:			

	to holders (members) in connection with repurchase of shares (equity shares) of the organization from them or their withdrawal from the composition of members	4321	-	-
	for payment of dividends and other payments in terms of profit distribution in favor of the holders (members)	4322	-	-
	in connection with redemption (repurchase) of bills and other debt securities, repayment of credits and loans	4323	(892)	-
	other payments	4329	-	-
	Balance from financing activities cash flow	4300	140.259	902
	Balance from cash flow for the reporting period	4400	(16.904)	-
	Balance of cash and cash equivalents as of the beginning of the reporting period	4450	19.789	-
	Balance of cash and cash equivalents as of the end of the reporting period	4500	4.945	19.789
	Foreign currency exchange rate fluctuations effect on the Russian Ruble	4490	2.060	-

Head [signature] *Khan Dzhunaid*

Chief Accountant [signature] U.P. Zavorotnaya

Dated April 22, 2019

[seal: FLEX FILMS RUS * Limited Liability Company * Stupino]

NUMBERED, BOUND AND SEALED 10 (ten) sheets
ACC "BUSINESS-AUDIT" LLC
Ye. Pavlova

[signature]

[seal: Moscow *Limited Liability Company * OGRN 1117746087095* Audit and Consulting Company *
BUSINESS-AUDIT]

The Russian Federation

Moscow

26.04.2019

I, Polyakov Mikhail Gennadievich, the notary of Moscow, hereby certify that this is a true copy of the document provided to me.

Registered under number: 77/449-н/77-2019-1-812.

State fee collected (per tariff): 110 rub.

Including for legal and technical services: 550 rub.

/signed/ M.G. Polyakov/

*/Official seal bearing coat of arms: NOTARY M.G. POLYAKOV * MOSCOW NOTARIAL DISTRICT *
INN 771800343242/*

*/Official seal bearing coat of arms: NOTARY M.G. POLYAKOV * MOSCOW NOTARIAL DISTRICT *
INN 771800343242/*

Numbered, bound and sealed 11 (eleven) pages.

Notary /signed/

Перевод данного текста выполнен переводчиком Марковым Иваном Николаевичем

Российская Федерация

Город Москва

Двадцать девятого апреля две тысячи девятнадцатого года

Я, Мартынова Наталья Андреевна, временно исполняющая обязанности нотариуса города Москвы Акимова Глеба Борисовича, свидетельствую подлинность подписи переводчика Маркова Ивана Николаевича.


Подпись сделана в моем присутствии.

Личность подписавшего документ установлена.

Зарегистрировано в реестре: № 77/09-н/77-2019- 42-948


Взыскано государственной пошлины (по тарифу): 100 руб.

Уплачено за оказание услуг правового и технического характера: 200 руб.



Н.А. Мартынова

Пронумеровано, пронумеровано и скреплено печатью 24 лист(-а, -ов).

ВРИО нотариуса 

Translation performed by the translator Markov Ivan Nikolaevich

/signed/

Russian Federation

City of Moscow

29/04/2019

I, Martynova Natalia Andreevna, duly authorized to act for Akimov Gleb Borisovich, Notary of Moscow, certify that the signature appearing above is the true signature of translator Markov Ivan Nikolaevich.

The document has been signed before me.

The signatory's identity has been duly verified.

Registered in the books under No.: 77/09-н/77-2019-

Stamp duty paid in the amount of (according to the tariff): RUB 100.00

Paid for legal and technical services: RUB 200.00

/signed/

Martynova N.A.

Official seal bearing coat of arms: /NOTARY G.B. AKIMOV * NOTARIAL DISTRICT: MOSCOW *
INN 770400047857/

Numbered, bound and sealed 24 page (-s).

Acting notary /signed/