The report of the Board of Directors, the Auditor's report and the Financial Statements of the company for the year ended 31 December 2015 are true copies of those presented at the Annual General Meeting that took place on 25 January 2019.

DEMEYRA STAVRINOU
DIRECTOR

Signature
Director

GOGHAN [Signature]
SECRETARY

Signature
Secretary
REGISTRAR OF COMPANIES

INNSGATE HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS
31 December 2015
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<th>Page</th>
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INNSGATE HOLDINGS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors: Demetra Stavrinou
Iraya Gilmudtina

Company Secretary: Goodgate Secretarial Limited

Independent Auditors: ZERVOS & CO LIMITED
CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED AUDITORS
67 Kennedy Avenue
Athens Kennedy Park
2nd Floor
1076 Nicosia, Cyprus

Legal Advisers: 5DM Spyrides LLC

Registered office: 48 Themistoki Dervi Street
CENTENNIAL BUILDING
3rd Floor, Flat/Office 303
1066 Nicosia, Cyprus
INNSGATE HOLDINGS LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2015.

Principal activity
The principal activity of the Company, which is unchanged from last year, is to act as a holding company.

Review of current position, future developments and significant risks
The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 3 and 13 of the financial statements.

Results and Dividends
The Company's results for the year are set out on page 5. The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital
There were no changes in the share capital of the Company during the year under review.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2015 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2015.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Operating Environment of the Company
Any significant events that relate to the operating environment of the Company are described in note 13 to the financial statements.

Events after the reporting period
There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent Auditors
The Independent Auditors, ZERVOS & CO LIMITED, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

[Signature]
Demetra Stavrinou
Director

Nicosia, 25 January 2019
Independent auditor's report

To the Members of Innsgate Holdings Limited

Report on the financial statements

We have audited the financial statements of parent company Innsgate Holdings Limited (the "Company") on pages 5 to 15 which comprise the statement of financial position as at 31 December 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of financial statements that give a true and fair view 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of parent company Innsgate Holdings Limited as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.
Independent auditor's report (continued)

To the Members of Innsgate Holdings Limited

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

• We have obtained all the information and explanations we considered necessary for the purposes of our audit.
• In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
• The Company's financial statements are in agreement with the books of account.
• In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
• In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

IOANNIS ZERVOS
Certified Public Accountant and Registered Auditor
for and on behalf of
ZERVOS & CO LIMITED
CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED AUDITORS
67 Kennedy Avenue
Athinitis Kennedy Park
2nd Floor
1076 Nicosia, Cyprus

Nicosia, 29 January 2019
## INNSGATE HOLDINGS LIMITED

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015 US$</th>
<th>2014 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other operating income</td>
<td>5</td>
<td>4,453</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>6</td>
<td>(3,870)</td>
</tr>
<tr>
<td><strong>Operating profit/(loss)</strong></td>
<td></td>
<td>583</td>
</tr>
<tr>
<td>Finance income</td>
<td>7</td>
<td>7,857</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td>8,440</td>
</tr>
<tr>
<td>Tax</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net profit for the year</strong></td>
<td></td>
<td>8,440</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td></td>
<td>8,440</td>
</tr>
</tbody>
</table>

The notes on pages 9 to 15 form an integral part of these financial statements.
INNSGATE HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION
31 December 2015

ASSETS

Non-current assets
Investments in subsidiaries

Note       2015 US$   2014 US$

9            435,346     435,346

435,346     435,346

Total assets

435,346     435,346

EQUITY AND LIABILITIES

Equity
Share capital
Retained earnings

Note       2015 US$   2014 US$

10          2,261       2,261

369,035     360,595

371,296     362,856

Total equity

Current liabilities
Trade and other payables
Current tax liabilities

Note       2015 US$   2014 US$

11          64,033      72,472

12           17          18

64,050      72,490

Total equity and liabilities

435,346     435,346

On 25 January 2019 the Board of Directors of Innsgate Holdings Limited authorised these financial statements for issue.

[Signatures]

Demetra Stavrinou
Director

Iraya Ginmatrino
Director

The notes on pages 9 to 15 form an integral part of these financial statements.
## INNSGATE HOLDINGS LIMITED

### STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

<table>
<thead>
<tr>
<th></th>
<th>Share capital</th>
<th>Retained earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td><strong>Balance at 1 January 2014</strong></td>
<td>2,261</td>
<td>348,638</td>
<td>350,899</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit for the year</td>
<td></td>
<td>11,957</td>
<td>11,957</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>11,957</td>
<td>11,957</td>
</tr>
<tr>
<td><strong>Balance at 1 January 2015 as previously reported</strong></td>
<td>2,261</td>
<td>360,595</td>
<td>362,856</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2014/ 1 January 2015</strong></td>
<td>2,261</td>
<td>360,595</td>
<td>362,856</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit for the year</td>
<td></td>
<td>8,440</td>
<td>8,440</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>8,440</td>
<td>8,440</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2015</strong></td>
<td>2,261</td>
<td>369,035</td>
<td>371,296</td>
</tr>
</tbody>
</table>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 15 form an integral part of these financial statements.
CASH FLOW STATEMENT
Year ended 31 December 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>8.440</td>
<td>11.957</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised exchange profit</td>
<td>(7.459)</td>
<td>(15.951)</td>
</tr>
<tr>
<td>Changes in working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Decrease)/increase in trade and other payables</td>
<td>981</td>
<td>(3.994)</td>
</tr>
<tr>
<td>Cash (used in)/generated from operations</td>
<td>(8.439)</td>
<td>33.006</td>
</tr>
<tr>
<td></td>
<td>(7.458)</td>
<td>29.012</td>
</tr>
<tr>
<td>CASH FLOWS FROM INVESTING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment for purchase of investments in subsidiaries</td>
<td>9</td>
<td>(44.960)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>(44.960)</td>
</tr>
<tr>
<td>CASH FLOWS FROM FINANCING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised exchange profit</td>
<td>7.458</td>
<td>15.948</td>
</tr>
<tr>
<td>Net cash generated from financing activities</td>
<td>7.458</td>
<td>15.948</td>
</tr>
</tbody>
</table>

The notes on pages 9 to 15 form an integral part of these financial statements.
INNSGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

1. Incorporation and principal activities

Country of Incorporation

The Company Innsgate Holdings Limited (the "Company") was incorporated in Cyprus on 23 February 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 48 Themistokli Dervi Street, CENTENNIAL BUILDING, 3rd Floor, Flat/Office 303, 1066 Nicosia, Cyprus.

Principal activity

The principal activity of the Company, which is unchanged from last year, is to act as a holding company.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2015.

The European Union has concluded that since its 4th Directive requires parent companies to prepare separate financial statements, and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the European Union, the provisions of International Financial Reporting Standard 10 "Consolidated Financial Statements" that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2015. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.
2. Significant accounting policies (continued)

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the Euro, the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States Dollars (US$) which is the Company's presentation currency. Management uses a different presentation currency because the United States Dollars (US$) is the currency used when controlling and monitoring the performance and financial position of the company.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Share capital

Ordinary shares are classified as equity.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

Financial risk factors

The Company is exposed to liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

3. Financial risk management (continued)

3.1 Liquidity risk (continued)

<table>
<thead>
<tr>
<th></th>
<th>Carrying amounts</th>
<th>3 - 12 months</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Trade and other payables 31 December 2015</td>
<td>64,033</td>
<td>64,033</td>
<td>64,033</td>
</tr>
<tr>
<td></td>
<td>64,033</td>
<td>64,033</td>
<td>64,033</td>
</tr>
<tr>
<td>Trade and other payables 31 December 2014</td>
<td>72,472</td>
<td>72,472</td>
<td>72,472</td>
</tr>
<tr>
<td></td>
<td>72,472</td>
<td>72,472</td>
<td>72,472</td>
</tr>
</tbody>
</table>

3.2 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Russian Rubles and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>US$</td>
</tr>
<tr>
<td>Euro</td>
<td>3,385</td>
</tr>
<tr>
<td>Russian Rubles</td>
<td>22,396</td>
</tr>
<tr>
<td></td>
<td>25,781</td>
</tr>
</tbody>
</table>

Sensitivity analysis

A 10% strengthening of the United States Dollars against the following currencies at 31 December 2015 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the United States Dollars against the relevant currencies, there would be an equal and opposite impact on the profit and other equity.

<table>
<thead>
<tr>
<th></th>
<th>Profit or loss</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>US$</td>
</tr>
<tr>
<td>Euro</td>
<td>308</td>
</tr>
<tr>
<td>Russian Rubles</td>
<td>2,036</td>
</tr>
<tr>
<td></td>
<td>2,344</td>
</tr>
</tbody>
</table>

3.3 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.
3. Financial risk management (continued)

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Impairment of investments in subsidiaries

  The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Other operating income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables written off</td>
<td>4,453</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>4,453</td>
<td>-</td>
</tr>
</tbody>
</table>

6. Administration expenses

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual levy</td>
<td>377</td>
<td>474</td>
</tr>
<tr>
<td>Auditors' remuneration</td>
<td>1,164</td>
<td>1,300</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>520</td>
<td>578</td>
</tr>
<tr>
<td>Administration fees</td>
<td>1,809</td>
<td>1,642</td>
</tr>
<tr>
<td></td>
<td>3,870</td>
<td>3,994</td>
</tr>
</tbody>
</table>

7. Finance income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange profit</td>
<td>7,857</td>
<td>15,951</td>
</tr>
<tr>
<td></td>
<td>7,857</td>
<td>15,951</td>
</tr>
</tbody>
</table>
INNSGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

8. Tax

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

\[
\begin{array}{lr}
\text{Profit before tax} & \text{2015} & \text{2014} \\
US$ & 8,440 & 11,957 \\
\end{array}
\]

\[
\begin{array}{lr}
\text{Tax calculated at the applicable tax rates} & \text{1,055} & \text{1,495} \\
\text{Tax effect of expenses not deductible for tax purposes} & 47 & 59 \\
\text{Tax effect of allowances and income not subject to tax} & (1,539) & (1,994) \\
\text{Tax effect of tax loss for the year} & 437 & 440 \\
\end{array}
\]

\textbf{Tax charge}

\[
\begin{array}{lr}
\text{2015} & \text{2014} \\
\end{array}
\]

The corporation tax rate is 12.5%.

Under certain conditions, interest income may be subject to defence contribution at the rate of 30%. In such cases, this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 December 2015, the balance of tax losses which is available for offset against future taxable profits amounts to US$20.760 (€19.069) for which no deferred tax asset is recognised in the statement of financial position.

9. Investments in subsidiaries

\[
\begin{array}{lr}
\text{Balance at 1 January} & \text{435,346} & \text{390,386} \\
\text{Additions} & - & 44,960 \\
\text{Balance at 31 December} & \text{435,346} & \text{435,346} \\
\end{array}
\]

The details of the subsidiaries are as follows:

\[
\begin{array}{lrrrrrr}
\text{Name} & \text{Country of} & \text{Principal activities} & \text{2015} & \text{2014} & \text{2015} & \text{2014} \\
& \text{incorporation} & & \text{Holding} & \text{Holding} & \text{US$} & \text{US$} \\
\text{"ZAO Vneshnet"} & \text{Russia} & \text{Project development} & 87.15 & 87.15 & 435,346 & 435,346 \\
\end{array}
\]

10. Share capital

\[
\begin{array}{lr}
\text{2014} & \text{2014} \\
\text{Number of shares} & \text{US$} & \text{Number of shares} & \text{US$} \\
\end{array}
\]

\[
\begin{array}{rrrrrr}
\text{Authorised} & \text{2015} & \text{2015} & \text{2014} & \text{2014} \\
\text{Ordinary shares of €1 each} & 1,710 & 2,261 & 1,710 & 2,261 \\
\end{array}
\]

\[
\begin{array}{rrrrrr}
\text{Issued and fully paid} & \text{2015} & \text{2015} & \text{2014} & \text{2014} \\
\text{Balance at 1 January} & 1,710 & 2,261 & 1,710 & 2,261 \\
\text{Balance at 31 December} & 1,710 & 2,261 & 1,710 & 2,261 \\
\end{array}
\]
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

11. Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder's current account - credit balance (Note 14.2)</td>
<td>US$22,396</td>
<td>US$29,014</td>
</tr>
<tr>
<td>Accruals</td>
<td>US$3,367</td>
<td>US$4,010</td>
</tr>
<tr>
<td>Other creditors</td>
<td>US$38,270</td>
<td>US$37,564</td>
</tr>
<tr>
<td>Payables to related parties (Note 14.1)</td>
<td>-</td>
<td>US$1,084</td>
</tr>
<tr>
<td></td>
<td><strong>64,033</strong></td>
<td><strong>72,472</strong></td>
</tr>
</tbody>
</table>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

12. Current tax liabilities

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special contribution for defence</td>
<td>US$17</td>
<td>US$18</td>
</tr>
<tr>
<td></td>
<td><strong>17</strong></td>
<td><strong>18</strong></td>
</tr>
</tbody>
</table>

13. Operating Environment of the Company

During the last years, the Cyprus economy has been adversely affected by the crisis in the Cyprus banking system and the inability of the Republic of Cyprus to secure financing from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the “Troika”), for financial support of €10 billion, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through “bail in”, safeguarding deposits below €100,000.

Since March 2013, Troika performed several reviews of the Cyprus’ economic program with very positive outcomes which resulted in the disbursement of all scheduled tranches of financial assistance to Cyprus.

Despite the adverse external economic environment in several European and international economies, the Cyprus economy shows signs of stabilization, evident by the upgrade of the credit rating and the future prospects of the Republic of Cyprus by all major international credit rating agencies. This assisted largely the efforts of the Republic of Cyprus to raise significant capital from international financial markets in the past few months. In addition, the Cypriot banks have been recapitalized and have reorganized their operations, leading to the full abolishment of all restrictive measures on deposits and transactions imposed during 2013.

However, the uncertain economic conditions in Cyprus, the unavailability of financing and the high percentage of non-performing bank loans in combination with the high unemployment rates, have affected:

- The ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions
- The ability of the Company's trade and other debtors to repay the amounts due to the Company
- The ability of the Company to enter into contracts for the development of new property units
- The cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets

The Company’s management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company’s management has concluded that no provisions or impairment charges are necessary. The Company’s management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its operations in the current business and economic environment.
INNSGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

14. Related party transactions

The Company is controlled by Denkraam Holding B.V., incorporated in Netherlands, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

14.1 Payables to related parties (Note 11)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asolex S.A.</td>
<td>Related party</td>
<td>Finance</td>
<td>-</td>
<td>1.884</td>
</tr>
</tbody>
</table>

14.2 Shareholder's current account - credit balance (Note 11)

<table>
<thead>
<tr>
<th>Shareholder's current account - credit balance</th>
<th>2015 US$</th>
<th>2014 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22.396</td>
<td>29.014</td>
</tr>
</tbody>
</table>

The shareholder's current account is interest free, and has no specified repayment date.

15. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2015.

16. Commitments

The Company had no capital or other commitments as at 31 December 2015.

17. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 3 and 4