

**SIA
FLAMES GROUP**

Annual Report

for 2014

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Information on the Company

Name of the company	<i>SIA Flames group</i>
Legal status	<i>Limited Liability Company</i>
Number, place and date of registration	<i>40103248897, Riga, 16 September 2009</i>
Legal address	<i>Kr. Barona iela 88, Rīga, LV-1001</i>
Postal address	<i>Kr. Barona iela 88, Rīga, LV-1001</i>
Head	<i>Svjatoslavs Belozjerovs</i>
Members of the Board and their positions	<i>Svjatoslavs Belozjerovs, Chairman of the Board</i>
Reporting year	<i>01.01.2014 – 31.12.2014</i>
Auditors	<i>KPMG Baltics SIA Vesetas iela 7 Riga, LV-1013 License No 55</i>

Management Report

Line of business

Short description of the Company's activities in the reporting year

The primary activities of the Company is the provision of telecommunication services.

The revenue from services provided in 2014 amounts to EUR 6 936 745.

Company's further development

The primary areas for development of the Company in 2015:

- Reduction of the cost of production by changing the hardware architecture and lowering the cost of base elements in order to widen the range of potential buyers;
- Optimisation of the internal structure of the Company in order to raise efficiency and the quality of services to support further cooperation with Tier 2 companies (national carriers, licensed mobile carriers and large transit carriers);
- Expansion into new foreign markets.

Subsequent events

No significant subsequent events have occurred since the last day of the reporting period that would materially impact the Company's financial statements as at and for the year ended 31 December 2014.

Suggestions regarding profit distribution

The result of the Company's basic operating activities is a profit of EUR 14 764. The profit is left undistributed.


Svjatoslavs Belozjerovs
Chairman of the Board



29 April 2015

Profit and Loss Statement for 2014

	Note	2014 EUR	2013 EUR
Net sales	2	6 936 745	4 192 170
Cost of goods sold	3	(6 772 626)	(3 921 563)
Gross profit		164 119	270 607
Selling expenses	4	(47 391)	(33 912)
Administrative expenses	5	(79 769)	(74 120)
Other operating income	6	11 846	29 988
Other operating expenses	7	(30 013)	(33 498)
Profit before tax		18 792	159 065
Corporate income tax	8	(4 028)	(26 489)
Current year's profit		14 764	132 576

The accompanying notes on pages 10 to 21 form an integral part of these financial statements.


Svjatoslavs Belozjérov
Chairman of the Board

29 April 2015



Balance Sheet as at 31 December 2014

Assets	Note	2014 EUR	2013 EUR
Long term investments			
Intangible assets			
Other intangible assets		7 939	14 291
Total intangible assets	9	7 939	14 291
Property, plant and equipment			
Other fixed assets		5 677	5 861
Total fixed assets	10	5 677	5 861
Total long term investments		13 616	20 152
Current assets			
Inventories			
Raw materials		645	27 312
Goods ready for sale		39 620	6 946
Prepayments for goods		40 441	80 209
Total stock		80 706	114 467
Receivables			
Trade receivables	11	164 233	241 777
Other receivables	12	30 553	19 238
Accrued income		-	121
Total receivables		194 786	261 136
Cash	13	64 447	118 646
Total current assets		339 939	494 249
Total assets		353 555	514 401

The accompanying notes on pages 10 to 21 form an integral part of these financial statements.



Balance Sheet as at 31 December 2014

Liabilities	Note	2014 EUR	2013 EUR
Shareholders' equity			
Share capital	14	2 846	2 846
Retained earnings:			
retained earnings/(accumulated losses) brought forward from previous years		188 018	55 442
profit of the reporting period		14 764	132 576
Total equity		205 628	190 864
Short term liabilities			
Accounts payable to suppliers and contractors	15	134 609	186 410
Taxes and social contributions	16	-	14 338
Other liabilities	17	9 401	606
Accrued liabilities	18	3 917	122 183
Total short term liabilities		147 927	323 537
Total liabilities		147 927	323 537
Total liabilities		353 555	514 401

The accompanying notes on pages 10 to 21 form an integral part of these financial statements.


Svjatoslavs Belozjers
 Chairman of the Board

29 April 2015



Statement of Cash Flow for 2014

	Note	2014 EUR	2013 EUR
Cash flows from operating activities			
1. Profit before taxes		18 792	159 065
Adjustments for:			
depreciation;		10 346	9 805
2. Profit before adjustments for the effect of changes to current assets and short term liabilities		29 138	168 870
Adjustments for:			
(increase)/decrease of receivables;		82 602	(182 175)
(increase)/decrease of stock;		33 761	(61 858)
increase/(decrease) of accounts payable to suppliers, contractors and other creditors		(161 279)	202 860
3. Gross cash flows from operating activities		(15 778)	127 697
4. Corporate income tax		(34 611)	(14 619)
Net cash flows from operating activities		(50 389)	113 078
Cash flows from investing activities			
Purchase of fixed and intangible assets		(3 810)	(435)
Net cash flows from investing activities		(3 810)	(435)
Net increase in cash and cash equivalents		(54 199)	112 643
Cash and cash equivalents at the beginning of the period		118 646	6 003
Cash and cash equivalents at the end of the period	13	64 447	118 646

The accompanying notes on pages 10 to 21 form an integral part of these financial statements.


Sviatoslavs Belozjeryovs
 Chairman of the Board
 29 April 2015



Statement of Changes to the Shareholders Equity for 2014

	Share capital EUR	Retained earnings/(accum ulated loss) brought forward from previous years EUR	Profit of the reporting year EUR	Total equity EUR
31.12.2012	2 846	(12 059)	67 501	58 288
Profit of 2012 transferred to accumulated loss of previous years	-	67 501	(67 501)	-
Profit for the year	-	-	132 576	132 576
31.12.2013	2 846	55 442	132 576	190 864
Profit of 2013 transferred to retained earnings	-	132 576	(132 576)	-
Profit for the year	-	-	14 764	14 764
31.12.2014	2 846	188 018	14 764	205 628

The accompanying notes on pages 10 to 21 form an integral part of these financial statements.


Svjatoslavs Belozjjerovs
Chairman of the Board
 29 April 2015



Notes to the Financial Statements

(1) Summary of significant accounting principles

Information on the Company's activities

The primary activities of SIA Flames group is provision of telecommunication services. Business activity according to NACE 2.0 editorial:

- other telecommunication services (61.9);
- programming, consultation and related activities (62).

Basis of preparation

The financial statements have been prepared in accordance with the law "On Accounting" and the "Annual Reports Law".

The profit and loss statement was prepared according to the turnover costing method. The cash flow statement was prepared according to the indirect method. The financial statements are prepared on the historical cost basis.

Accounting principles

The financial statements were prepared in accordance with the following policies:

- a) Going concern assumption that the Company will continue as a going concern
- b) Consistent valuation principles with those used in the prior year.
- c) Items were valued in accordance with the principle of prudence:
 - the financial statements reflect only the profit generated to the date of the balance sheet;
 - all incurred liabilities and current or prior year losses have been taken into consideration even if discovered within the period after the date of the balance sheet and preparation of the financial statements; and,
 - all amounts of impairment and depreciation have been taken into consideration irrespective of whether the financial result was a loss or profit.
- d) Income and expenses incurred during the reporting year have been taken into consideration irrespective of the payment date or date when the invoice was issued or received. Expenses were matched with revenue for the reporting period.
- e) Assets and liabilities have been valued separately.
- f) In connection with the change of the official currency of the Republic of Latvia, as from 1 January 2014 the Company's functional and presentation currency is the euro, which replaced the national currency Latvian lat. Prior period financial information that was presented in Latvian lats has been translated to euros in accordance with the official currency conversion rate set at 0.702804 lats per 1 euro. As the Latvian lat was previously pegged to the euro at the same exchange rate, the change in the functional and presentation currency had no effect on the Company's financial position, financial performance or cash flows. Opening balances of the reporting year, before translation into euro, agree to prior year closing balances.
- g) All material items, which would influence the decision-making process of users of the financial statements, have been recognised and insignificant items have been combined and their details disclosed in the notes.
- h) Business transactions are recorded taking into account their economic contents and substance, not the legal form.

Related parties

Related parties represent both legal entities and private individuals related to the company in accordance with the following rules.

- a) A person or a close member of that person's family is related to a reporting entity if that person: has control or joint control over the reporting entity;

Notes to the Financial Statements

- ii. has significant influence over the reporting entity; or
- iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled, or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Financial instruments and financial risks

Financial instrument is an agreement that simultaneously results in financial assets of one party and financial liabilities or equity securities of the other party.

The key financial instruments held by the Company are financial assets such as trade receivables and other receivables and financial liabilities, accounts payable to suppliers and contractors and other creditors arising directly from its business activities.

Financial risks connected with the Company's financial instruments, financial risk management

Key financial risks related to the Company's financial instruments are:

- **Currency risk** – risk that the Company may suffer unexpected losses arising from fluctuations in the foreign exchange rates;
The currency risk arises from sales, purchases and other monetary assets and liabilities denominated in USD.
- **Liquidity risk** – risk that the Company will not be able to meet its financial liabilities in due time.

Management has implemented the following procedures to control key (or significant) risks.

Currency risk

For the purposes of currency risk management, the Company's management performs regular oversight to ensure that the currency structure of assets and liabilities is matched.

Liquidity risk

The Company is monitoring its liquidity risk by maintaining appropriate level of cash and cash equivalents.

Use of derivative financial instruments

Derivative financial instruments are not used for hedging risks.

Reporting period

The reporting period is the 12 months from 1 January 2014 to 31 December 2014.

Notes to the Financial Statements

Currency unit and revaluation of foreign currency

All amounts in these financial statements are expressed in the official currency of the Republic of Latvia – euro (EUR).

Foreign currency transactions are translated into euro applying the euro foreign exchange reference rate published by the European Central Bank at the transaction date.

All monetary asset and liability items were revalued to euro according to the euro foreign exchange reference rate published by the European Central Bank on the last day of the reporting year. Non-monetary items of assets and liabilities, and foreign exchange transactions are revalued to euro in accordance with the euro foreign exchange reference rate published by the European Central Bank on the transaction date.

	31.12.2014	31.12.2013
USD	1.2141	0.5150

Profit or loss arising from the fluctuations in the exchange rate on assets and liabilities denominated in a foreign currency are recognized in the profit and loss statement in the respective period in which the fluctuation occurs.

Estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in the accounting estimates are recognised in the period when those estimates are reviewed and in the future periods.

Key sources of estimation uncertainty are the following:

(i) Impairment

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(ii) Useful lives of fixed and intangible assets

Management estimates the useful lives of fixed and intangible assets in proportion to the expected duration of use of the asset (its expected capacity or effectiveness) based on historical experience with similar fixed assets and future plans. According to management estimates, the useful lives of certain fixed and intangible assets are the following:

Intangible assets:

Other intangible assets	5 years
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Property, plant and equipment:

Other fixed assets	3 years
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(iii) Net realizable value of inventories

Inventories are measured at the lower of cost and net realizable value. Management has to estimate the value of inventories whenever there are indications that the recoverable amount of inventories may have decreased below their carrying amount. If this occurred, inventories are written down to their net realizable value, i.e., the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

(iv) Valuation of receivables

A number of significant risks and uncertainties are inherent to the process of monitoring financial assets and estimating impairment. These risks and uncertainties include the risk the Company's assessment of the clients' ability to meet all their liabilities will change according to changes in the clients' credit ratio and the risk that the economic situation will deteriorate beyond expected.

Receivables are valued according to the principle of prudence and recognized at net amount due less allowances for doubtful loans and trade receivables.

Doubtful debt allowances are recognized based on an individual management assessment of the recoverability of each receivable.

(v) Deferred tax asset

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax amounts are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Revenue recognition

Income from services

Revenue from services provided is recognized in the profit and loss statement as generated.

Income from sales of goods

Revenue from sales of goods is recognized in the profit and loss statement after the risks and rewards of ownership are transferred to the customer.

Long and short term classification

Amounts whose terms of receipt, payment or write off are due more than one year after the balance sheet date are classified as long term. Amounts to be received, paid or written off within one year of the balance sheet date are classified as short term.

Lease transactions

Operating lease

Payments for operating lease are recognized in the profit and loss statement on a straight line basis over the period of lease.

Fixed and intangible assets

Intangible assets and fixed assets are recognised at historical cost, less accumulated amortization and depreciation. Amortization and depreciation is calculated from the first day of the month following their putting to operation until the first day of the month following their disposal. Amortization and depreciation is calculated on a straight-line basis and written-off over the useful lives of the assets.

The depreciation method is reviewed at least on an annual basis, at the year-end.

Stock

Stock has been valued according to the FIFO method.

Stock accounting is based on the perpetual method.

Notes to the Financial Statements

Corporate income tax

Corporate income tax comprises current and deferred tax. Corporate income tax is recognized in the profit and loss statement.

Current tax

Current income tax is calculated in accordance with the law “On Corporate Income Tax” by setting the amount of taxable income and applying a tax rate of 15%.

Deferred tax

Deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting using the balance sheet method providing for purposes and the amounts used for taxation purposes. These differences have primarily occurred due to different depreciation rates used for fixed assets in tax accounting and financial accounting, recognized provisions and tax losses available to be carried forward according to the tax declaration. Deferred tax is calculated based on the statutory rate of 15%.

Notes to the Financial Statements**(2) Net sales**

Net sales represents revenue generated during the reporting period from the Company's basic activities – sales of services, net of value added tax and discounts.

Line of business	2014 EUR	2013 EUR
Telecommunication services	6 762 407	3 914 942
Sale of telecommunication equipment	174 338	277 228
	6 936 745	4 192 170

Net sales by geographic markets:

	2014 EUR	2013 EUR
EU countries	5 984 826	3 405 079
Third countries	914 346	743 322
Latvia	37 573	43 769
	6 936 745	4 192 170

(3) Cost of goods sold

Cost of goods sold represents costs incurred for generating net sales – such as costs of services recognized at acquisition cost, and costs related to purchase of services.

	2014 EUR	2013 EUR
Costs related to services	6 614 975	3 779 187
Cost of goods sold	116 339	132 471
Server lease	41 312	9 905
	6 772 626	3 921 563

(4) Selling expenses

	2014 EUR	2013 EUR
Advertisement and representation expenses	26 440	21 132
Delivery expense	17 146	12 780
Packaging materials	2 124	-
Repair expenses	1 681	-
	47 391	33 912

Notes to the Financial Statements**(5) Administrative expenses**

	2014	2013
	EUR	EUR
Professional expenses	58 527	48 530
Expenses on cash turnover	7 564	5 055
Personnel costs	3 840	3 415
Business trip expenses	-	2 925
Communication expenses	469	1 192
Compulsory state social security contributions	906	822
Representation expenses	-	413
Risk duty	4	4
Other expenses	8 459	11 764
	79 769	74 120

(6) Other operating income

	2014	2013
	EUR	EUR
Other income	4 579	29 988
Profit from currency exchange fluctuations	972	-
Decrease in allowance for doubtful debt	6 295	-
	11 846	29 988

(7) Other operating expenses

	2014	2013
	EUR	EUR
Doubtful debt allowance	-	11 649
Amortization of intangible assets	6 352	6 352
Audit expenses	6 752	5 562
Expenses on currency translation	-	4 805
Depreciation	3 994	3 453
Loss on doubtful debt write off	12 144	1 559
Penalties	1	118
Other expenses	770	-
	30 013	33 498

Notes to the Financial Statements**(8) Corporate income tax for the reporting year**

	2014	2013
	EUR	EUR
Current tax in line with the tax return	3 910	27 175
Corrections for previous years	118	-
Deferred tax	-	(686)
	4 028	26 489

Reconciliation of the effective rate of corporate income tax:

	2014	2013
	EUR	EUR
<i>Profit before taxation</i>	18 792	159 065
Theoretical corporate income tax, 15%	2 819	23 860
Effect of non-deductible expenses	-	1 993
Change in unrecognized deferred tax asset	847	1 244
Adjustment for previous years	118	-
Other temporary differences	244	(608)
Corporate income tax for the reporting year	4 028	26 489

Deferred tax relates to the following temporary differences:

	2014		2013	
	EUR		EUR	
	aktīvi	saistības	aktīvi	saistības
Depreciation	-	637	-	734
Allowance for doubtful debts	1 034	-	1 978	-
(Unrecognized deferred tax asset)	(397)	-	(1 244)	-
Net deferred tax liability	-	-	-	-

	2014	2013
	EUR	EUR
Deferred tax liabilities, beginning of the period	-	686
Changes in deferred tax recognized in the income statement	-	(686)
Deferred tax liabilities, end of the period	-	-

Notes to the Financial Statements**(9) Intangible assets**

	Other intangible assets EUR
Historical cost	
31.12.2013	31 758
31.12.2014	31 758
Accumulated depreciation	
31.12.2013	17 467
Depreciation	6 352
31.12.2014	23 819
Balance as at 31.12.2013	14 291
Balance as at 31.12.2014	7 939

(10) Fixed assets

	Other fixed assets EUR
Historical cost	
31.12.2013	10 499
Additions	3 810
31.12.2014	14 309
Accumulated depreciation	
31.12.2013	4 638
Depreciation	3 994
31.12.2014	8 632
Balance as at 31.12.2013	5 861
Balance as at 31.12.2014	5 677

Notes to the Financial Statements**(11) Trade receivables**

	2014	2013
	EUR	EUR
Trade receivables, gross value	171 124	254 963
Allowance for doubtful debts	(6 891)	(13 186)
	164 233	241 777

Trade receivables by currency:

	2014		2013	
	Currency	EUR	Currency	EUR
USD	129 803	106 913	264 073	193 507
EUR	-	57 320	-	48 270
		164 233		241 777

(12) Other receivables

	2014	2013
	EUR	EUR
Overpaid taxes	30 366	18 466
Other receivables	187	772
	30 553	19 238

(13) Cash**By currency:**

	2014		2013	
	Currency	EUR	Currency	EUR
Current account	LVL	-	840	1 195
Current account	USD	77 996	44 861	32 873
Current account	EUR	-	-	84 578
		64 447		118 646

(14) Share capital

Share capital of the Company as at 31 December 2014 is EUR 2 846, which has been obtained by recalculating the registered share capital of LVL 2 000 using the official currency exchange rate of LVL 0,702804 to EUR 1, and it is divided into 200 shares. The registration of share capital to euro in accordance with the Latvian legislation has to be completed by 30 June 2016.

(15) Accounts payable to suppliers and contractors

	2014	2013
	EUR	EUR
Accounts payable to suppliers and contractors	134 609	186 410
	134 609	186 410

Notes to the Financial Statements**Accounts payable to suppliers and contractors by currency:**

	2014		2013	
	Currency	EUR	Currency	EUR
USD	88 974	73 284	108 640	79 609
EUR	-	61 325	-	106 801
		134 609		186 410

(16) Taxes and social contributions

Type of tax	Balance at 31.12.2013 EUR	Corrections in 2014 EUR	Calculated in 2014 EUR	Repaid back / (Paid in) 2014 EUR	Transfer from/ to other taxes in 2014 EUR	Balance at 31.12.2014 EUR
Corporate income tax	14 331	118	3 910	(34 611)	(7 259)	(23 511)
Value added tax	(18 466)	-	(15 069)	19 420	7 266	(6 849)
Social contributions	1	-	1 309	(1 309)	(2)	(1)
Personal income tax	6	-	825	(831)	(5)	(5)
Risk duty	-	-	4	(4)	-	-
	(4 128)	118	(9 021)	(17 335)	-	(30 366)

Including:

Overpaid taxes	(18 466)	(30 366)
Tax liabilities	14 338	-

Overpaid taxes are disclosed under other receivables.

(17) Other liabilities

	2014 EUR	2013 EUR
Remuneration	2 653	188
Calculated but not deducted value added tax	6 300	-
Other liabilities	448	418
	9 401	606

(18) Accrued liabilities

	2014 EUR	2013 EUR
Accrued liabilities for non-received invoices	3 917	122 183
	3 917	122 183

Notes to the Financial Statements

(19) Number of employees

	2014	2013
Average number of employees in the reporting year	<u>1</u>	<u>1</u>

(20) Personnel costs

	2014	2013
Type of costs	EUR	EUR
Remuneration	3 840	3 415
Compulsory state social security contributions	906	822
	<u>4 746</u>	<u>4 237</u>

In the reporting year, Chairman of the Board has not received additional remuneration for his work on the Board of the Company.

(21) Information on remuneration to sworn auditors

Administrative expenses include a fee paid to the commercial company of sworn auditors for the audit of the financial statements. During the reporting period, the Company did not receive any other services from the auditor.

(22) Information on contingent liabilities and pledged assets

Company was the Guarantor securing claims of Rietumu Banka AS, which arise from the Overdraft agreement concluded as at 15 Septebmer 2010 between the Rietumu Banka AS and Mannix International L.P.

(23) Subsequent events

No significant subsequent events have occurred since the last day of the reporting period that would materially impact the Company's financial position for the year ended 31 December 2014.



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Independent Auditors' Report

To the shareholder of SIA Flames Group

Report on the Financial Statements

We have audited the accompanying financial statements of SIA Flames Group ("the Company"), which comprise the balance sheet as at 31 December 2014, and the profit and loss statement, statements of changes in shareholder's equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 21.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the *Annual Reports Law*, applicable in the Republic of Latvia and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, 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 opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of SIA Flames Group as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with the *Annual Reports Law*, applicable in the Republic of Latvia.

Report on Other Legal and Regulatory Requirements

In addition, our responsibility is to assess whether the accounting information included in the Management Report, as set out on page 4, the preparation of which is the responsibility of management, is consistent with the financial statements. Our work with respect to the Management Report was limited to the aforementioned scope and did not include a review of any information other than drawn from the financial statements of the Company. In our opinion, the Management Report is consistent with the financial statements.

KPMG Baltics SIA
License No 55

Armine Movsisjana

Armine Movsisjana
Member of the Board
Sworn Auditor
Certificate No 178
Riga, Latvia
29 April 2015

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails.