

ANTHOUSA LIMITED

REPORT AND FINANCIAL STATEMENTS For the year ended 31 December 2021

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ANTHOUSA LIMITED

REPORT AND FINANCIAL STATEMENTS For the year ended 31 December 2020

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ANTHOUSA LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Oleksandr Sokor (appointed on 17 December 2018)
Sergii Magalias (appointed on 17 December 2018)
Costas Christoforou (resigned on 13 of May 2021)
Michel Lariviere (resigned on 23 December 2019)
Gerard Germain Claude Gallet (resigned on 24 December 2019)
Oleg Magalias (appointed on 1 November 2016 and resigned on 17 December 2018)
Elena Chrysanthou (appointed on 10 January 2015 and resigned on 1 November 2016)
Oksana Kulazhenko (resigned on 1 November 2016)
Illia Bytka (resigned on 31 October 2017)
Arlene Nahikian (resigned on 19 September 2018)

Company Secretary:

Cymanco Services Limited

Registered Place of business in Cyprus:

5 Esperidon Street, 4th floor
2001 Nicosia
Cyprus

Registration number in Cyprus:

AE1657

Legal Advisers:

LLC Law
LLC Excellolaw

Registered office in United Kingdom:

4, Croxted Mews
Croxted Road, Dulwich Village
London SE24 9DA
United Kingdom

Bankers:

No open accounts were available in 2021

Registration number in United Kingdom:

4311832

ANTHOUSA LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and unaudited financial statements of the Company for the year ended 31 December 2021.

For the year ending 31/12/2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime set out in Parts 15 and 16 of the Companies Act 2006.

Incorporation

The Company Anthousa Limited was incorporated in England and Wales on 26 October 2001 under the registration number 4311832

The place of business in Cyprus is at 5 Esperidon Street, 4th floor, 2001 Nicosia, Cyprus.

Principal activities and nature of operations of the Company

The principal activities of the Company are to receive royalty income from the usage of trademarks CTM "Furshet" and "Furshet" in the Russian language, marketing research and consultancy services. In addition, the Company has investments in subsidiary company and is providing finance to its subsidiaries and related companies. All the Company's activities are made through the Cyprus branch.

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company's losses.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 3 and 16 of the financial statements.

Existence of branches

The Company does not maintain any branches.

Use of financial instruments by the Company

The Company is exposed to interest rate risk, credit risk and dividends from the financial instruments it holds.

The Company's financial risk management objectives and policies are:

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities - primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risk related to trade receivables: This is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal ratings. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Company does not hold collateral as security.

ANTHOUSA LIMITED

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.

Results

The net loss for the year is carried forward.

Dividends

The Company did not have any distributable profits as at 31 December 2021, thus the Board of Directors cannot recommend the payment of a dividend.

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 2021 and at the date of this report are presented on page 1.

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

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 20 to the financial statements.

Related party balances and transactions

Related party transactions are disclosed in note 17 of the financial statements.

By order of the Board of Directors,

23 September 2022

Sergii Magalias
Director



23 September 2022

Oleksandr Sokor
Director



The notes on pages 8 to 23 form an integral part of these financial statements.

ANTHOUSA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2021

	Note	2021 US\$	2020 US\$
Gross profit		-	-
Other operating income			
Depreciation and amortisation expense		-	-
Administration expenses	4	(5,258)	(15,852)
Other expenses	5	(149)	(395)
Operating loss		(5,407)	(16,247)
Net finance costs	6	(1,015,456)	(1,019,947)
(Loss) before tax		(1,020,863)	(1,036,194)
Tax	7	-	-
Net loss for the year		(1,020,863)	(1,036,194)
Other comprehensive income		-	-
Total comprehensive income for the year		(1,020,863)	(1,036,194)

The notes on pages 8 to 23 form an integral part of these financial statements.

ANTHOUSA LIMITED

STATEMENT OF FINANCIAL POSITION

For year ended 31 December 2021

	Note	2021 US\$	2020 US\$
ASSETS			
Non-current assets			
Intangible assets	8	31,575	31,575
Investments in subsidiaries	9	1	1
Trade and other receivables		-	-
		<u>31,576</u>	<u>31,576</u>
Current assets			
Trade and other receivables	10	4,040,154	4,039,549
Refundable taxes	15	26,074	26,074
Cash at bank and in hand	11	-	-
Tax receivable		<u>4,066,228</u>	<u>4,065,623</u>
Total assets		<u>4,097,804</u>	<u>4,097,199</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	27,171	27,171
Share premium		18,813,897	18,813,897
Additional paid in capital		17,617,000	17,617,000
Accumulated losses		(130,559,375)	(129,538,512)
Total equity		<u>(94,101,307)</u>	<u>(93,080,444)</u>
Non-current liabilities			
Borrowings	13	67,393,679	67,393,679
		<u>67,393,679</u>	<u>67,393,679</u>
Current liabilities			
Trade and other payables	14	22,027,752	22,021,740
Borrowings	13	8,777,329	7,761,873
Current tax liabilities	15	352	352
		<u>30,805,433</u>	<u>29,783,964</u>
Total liabilities		<u>97,199,111</u>	<u>97,177,643</u>
Total equity and liabilities		<u>4,097,804</u>	<u>4,097,199</u>

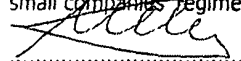
On 23 September 2022 the Board of Directors of Anthousa Limited authorized these financial statements for issue.

For the year ending 31/12/2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime set out in Parts 15 and 16 of the Companies Act 2006.



Sergii Magalias
Director



Oleksandr Sokor
Director

The notes on pages 8 to 23 form an integral part of these financial statements.

ANTHOUSA LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share capital US\$	Share premium US\$	Additional paid-in capital US\$	Accumulated losses US\$	Total US\$
Balance at 1 January 2020	<u>2,717</u>	<u>18,813,897</u>	<u>17,617,000</u>	<u>(128,502,318)</u>	<u>(92,068,703)</u>
Comprehensive income					
Net loss for the year	-	-	-	<u>(1,036,194)</u>	<u>(1,036,194)</u>
Total comprehensive expense for the year	-	-	-	-	-
Balance at 31 December 2020/ 1 January 2021	<u>2,717</u>	<u>18,813,897</u>	<u>17,617,000</u>	<u>(129,538,512)</u>	<u>(93,104,897)</u>
Comprehensive income					
Net loss for the year	-	-	-	<u>(1,020,863)</u>	<u>(1,020,863)</u>
Balance at 31 December 2021	<u>2,717</u>	<u>18,813,897</u>	<u>17,617,000</u>	<u>(130,559,375)</u>	<u>(94,125,760)</u>

Share premium is not available for distribution.

The notes on pages 8 to 23 form an integral part of these financial statements.

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CASH FLOW STATEMENT

For the year ended 31 December 2021

	Note	2021 US\$	2020 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) for the year		(1,020,863)	(1,036,194)
Adjustments for:			
Unrealised exchange profit		-	(47)
Impairment of investments		-	-
Provision for doubtful debts		-	-
Interest expense		1,015,456	1,019,936
		(5,407)	(16,305)
Changes in working capital:			
Decrease/(increase) in trade and other receivables		(606)	(2,457)
Increase in trade and other payables		6,013	18,761
Cash used in operations		(0)	(0)
Tax paid		-	-
Net cash used in operating activities		(0)	(0)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of investments in subsidiaries		-	-
Proceeds from sale of investments in subsidiary undertakings		-	-
Interest received		-	-
Interest repayment		-	-
Net cash generated from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan		-	-
Proceeds from borrowings		-	-
Net cash generated from financing activities		-	-
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		-	-
Cash and cash equivalents at end of the year		0	0

The notes on pages 8 to 23 form an integral part of these financial statements.

ANTHOUSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. Incorporation and principal activities

Country of incorporation

Anthousa Limited (the "Company") was incorporated in England and Wales on 26 October 2001 under the registration number 4311832

Its registered office is at 4, Croxted Mews, Croxted Road, Dulwich Village, London SE24 9DA, United Kingdom.

The place of business of Anthousa Limited is not a separately incorporated legal entity and the financial statements of the Company are filed both in the Republic of Cyprus and in the United Kingdom.

Principal activities

The principal activities of the Company are to receive royalty income from the usage of trademarks TM "Furshet" and "Furshet" in the Russian language, marketing research and consultancy services. In addition, the Company has investments in a subsidiary company and is providing finance to its subsidiaries and related companies. All the Company's activities are made through the Cyprus branch.

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.

Going concern basis

The Company incurred a loss of US\$1,020,863 for the year ended 31 December 2021, and, as of that date Company's liabilities exceeded its assets by US\$94,101,307. In addition, the Company had substantial loans and borrowings that either expired or are repayable within twelve months. Some of these loans and borrowings were in breach of financial covenants or had defaulted in making loan repayments to its loan creditors. Furthermore, the political instability in Ukraine since 2013 affected adversely the operations of the Company's subsidiaries. The full-scale invasion of the Russian troops deteriorated further market conditions and ability of the company to function as going concern.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and in accordance with the special provisions applicable to companies subject to the small companies' regime set out in Parts 15 and 16 of the Companies Act 2006.

For the year ending 31/12/2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Functional and presentation currency

The financial statements are presented in United States Dollars (US\$) which is the functional currency 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 recognized as an expense in the period in which the impairment is identified.

ANTHOUSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. Significant accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. Revenues earned by the Company are recognised on the following basis:

- (i) Rendering of services

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- (iii) Royalty income

Royalty income from licensing of trade mark is recognised on an accruals basis in accordance with the substance of the relevant terms and conditions of the agreements.

- (iv) Loan interest income

Loan interest income is recognised on a time-proportion basis using the effective interest method. Finance income comprises interest income on funds invested, net foreign currency gains that are recognised in the statement of profit or loss and other comprehensive income. Loan interest income is recognised as it accrues.

Finance income

Interest income comprises on interest on bank deposits. Interest income is recognised as it accrues.

Finance costs

Finance costs comprise interest expense on borrowings, net foreign currency losses, bank charges, penalties and fines on taxes that are recognised in the statement of comprehensive income. All borrowing costs are recognised in the profit or loss and other comprehensive income using effective interest method.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using 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 functional and presentation currency.

ANTHOUSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. Significant accounting policies (continued)

(2) Translation from functional to presentation currency

The results and financial position of the Company are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- (ii) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity as a cumulative translation reserve.

(3) 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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are subsequently measured at cost less impairment. They are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

ANTHOUSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. Significant accounting policies (continued)

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

(i) Trade receivables

Trade and other receivables are stated at their nominal values after deducting the specific provision for doubtful debts, which is calculated based on an examination of all outstanding balances as at the year end. Bad debts are written off when identified.

Prepayments from clients

Payments received in advance on sale contracts for which no revenue has been recognised yet, are recorded as prepayments from clients as at the reporting date and carried under liabilities.

(ii) Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

An allowance for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

(iii) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank.

ANTHOUSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. Significant accounting policies (continued)

Financial instruments (continued)

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(v) Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital and share premium

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

ANTHOUSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. Significant accounting policies (continued)

Restructuring

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share based payment awards with non-vesting conditions, the grant date fair value of the share based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Comparatives

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

3. Critical accounting estimates and judgments

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 judgments 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:

- Going concern basis

The assessment of the Company for the appropriateness of the use of the going concern basis is disclosed in note 2.

- Provision for bad and doubtful debts

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

ANTHOUSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3. Critical accounting estimates and judgments (continued)

- Income taxes

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- Fair value of investment property

The fair value of investment property is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

- 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/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- Impairment of loans receivable

The Company periodically evaluates the recoverability of loans receivable 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 in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- Impairment of non-financial assets

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- Impairment of intangible asset

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

ANTHOUSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

4. Administration expenses

	2021	2020
	US\$	US\$
Licenses and taxes	-	-
Consulting expenses	-	-
Auditors' remuneration	-	-
Accounting fees	-	-
Legal fees	-	-
Legal and professional	5,258	15,895
Directors' fees	-	-
Fines	-	-
	<u>5,258</u>	<u>15,852</u>

5. Other expenses

	2021	2020
	US\$	US\$
Bad debts written off/provision	149	395
	<u>149</u>	<u>395</u>

6. Finance income/cost

	2021	2020
	US\$	US\$
Exchange profit	-	47
Finance income	<u>-</u>	<u>47</u>
Net foreign exchange losses	-	-)
Interest expense	(1,015,456)	(1,019,936)
Sundry finance expenses	-	(58)
Finance costs	<u>(1,015,456)</u>	<u>(1,019,994)</u>
Net finance costs	<u>(1,015,456)</u>	<u>(1,019,947)</u>

ANTHOUSA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

7. Tax

	2021 US\$	2020 US\$
Corporation tax - current year	-	-
Charge for the year	-	-

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

	2020 US\$	2019 US\$
(Loss) before tax	(1,020,863)	(1,036,194)
Tax calculated at the applicable tax rates	(127,608)	(129,524)
Tax effect of expenses not deductible for tax purposes	127,608	129,524
Tax effect of allowances and income not subject to tax	-	-
Tax effect of tax losses brought forward	-	-
Tax effect of tax loss for the year	-	-
Tax charge	-	-

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 defense contribution at the rate of 17%.

The Company's had no chargeable income for the year. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

8. Intangible assets

	Patents and trademarks US\$
Cost	
Balance at 1 January 2020	31,575
Balance at 31 December 2020/ 1 January 2021	31,575
Balance at 31 December 2021	31,575
Net book amount	
Balance at 31 December 2020	31,575
Balance at 31 December 2021	31,575

On 1 October 2003, LLC Garantiya Trade, (Ukraine), assigned to the Company the ownership and rights of the trademark "Furshet", with the Trademark Certificate of Ukraine Number 27207 issued on 16 September 2002.

The Company has ownership and rights to trademark STM "Furshet" 14 with the Trade Certificate of Ukraine Number 43340

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For the year ended 31 December 2021

9. Investments in subsidiaries

	2021 US\$	2020 US\$
Balance at 1 January	1	1
Additions	-	-
Disposals	-	-
Balance at 31 December	1	1

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of Incorporation or residence</u>	<u>Principal activities</u>		2021 US\$	2020 US\$
PJSC Sunset trade (former Furshet)	Ukraine	Retail	100 %	1	1
				1	1

10. Trade and other receivables

	2021 US\$	2020 US\$
Trade and other receivables	-	-
Less: provision for impairment of receivables	-	-
Trade receivables - net	-	-
Trade and other receivables from related parties (Note 17.1)	3,305,036	3,311,178
Deposits and prepayments	528,979	528,979
Other receivables	54,698	48,556
Refundable VAT	151,441	150,836
	4,040,154	4,039,549
Less non-current receivables	-	-
Current portion	4,040,154	4,039,549

Trade and other receivables are repayable on demand

The Company does not hold any collateral over these balances.

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

11. Cash at bank and in hand

Cash balances are analysed as follows

	2021 US\$	2020 US\$
Cash at bank	-	-
Bank deposits	-	-
	-	-

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12. Share capital

	2021	2021	2021	2020	2020	2020
	Number of shares	Number of deferred shares	US\$	Number of ordinary shares	Number of deferred shares	US\$
Authorised						
Ordinary shares of GBP 1 each	100,000	-	154,000	100,000	-	154,000
Non-voting deferred shares issued of GBP	-	10,000	16,200	-	10,000	16,200
	<u>100,000</u>	<u>10,000</u>	<u>170,200</u>	<u>100,000</u>	<u>10,000</u>	<u>170,200</u>
			US\$			US\$
Issued and fully paid, Balance at 1 January						
Balance at 1 January	10,110	7,193	27,170	10,110	7,193	27,170
Balance at 31 December	<u>10,110</u>	<u>7,193</u>	<u>27,170</u>	<u>10,110</u>	<u>7,193</u>	<u>27,170</u>

(i) Ordinary shares

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Group, all rights are suspended until those shares are reissued.

As at 31 December 2021, there were no changes in Capital and reserves.

(ii) Non-voting deferred shares

Holders of non-voting deferred shares have no right of conversion or redemption and are not entitled to an annual dividend. In the event of liquidation deferred shares participate in the distribution up to their par value. Non-redeemable deferred shares do not carry the right to vote in the Annual General Meeting.

As at 31 December 2021, there were no changes in Capital and reserves.

13. Borrowings

	2021 US\$	2020 US\$
Current borrowings		
Bank loans	-	-
Other loans	4,735,098	4,300,971
Loans from associates (Note 17.3)	<u>4,042,231</u>	<u>3,460,902</u>
	<u>8,777,329</u>	<u>7,761,873</u>
Non-current borrowings		
Other loans	61,810,177	61,810,177
Loans from associates	<u>5,583,502</u>	<u>5,583,502</u>
	<u>67,393,679</u>	<u>67,393,679</u>
Total	<u>76,171,008</u>	<u>75,155,552</u>

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14. Trade and other payables

	2021	2020
	US\$	US\$
Trade and other payables	20,391,001	18,329,450
Other creditors	4,783	4,783
Payables to own subsidiaries and associates (Note 17.2)	1,631,968	3,687,507
	<u>22,027,752</u>	<u>22,021,740</u>

15. Current tax liabilities and Refundable taxes

	2021	2020
	US\$	US\$
Corporation tax	(26,074)	(26,074)
Special contribution for defence	352	352
	<u>(25,722)</u>	<u>(25,722)</u>

16. Operating Environment of the Company

The Company is incorporated in Cyprus, has investments in subsidiary undertakings incorporated in Ukraine and conducts its business with related companies domiciled in Ukraine. Consequently, the Company is exposed to the economic and financial markets of Ukraine.

Ukraine's political and economic situation has deteriorated significantly since 2014. Following political and social unrest in early 2014, in March 2014, various events in Crimea led to the accession of the Republic of Crimea to the Russian Federation, which was not recognised by Ukraine and many other countries. This event resulted in a significant deterioration of the relationship between Ukraine and the Russian Federation. As a result of this conflict, part of Donetsk and Lugansk regions remains under control of the self-proclaimed republics, and Ukrainian authorities are not currently able to fully enforce Ukrainian laws on this territory.

These events have adversely impacted economic situation in Ukraine. Although economic situation has stabilized, GDP started to grow and many of the limitations above have been lifted or eased, economic environment stayed difficult for Ukrainian business in 2021.

The final resolution and the effects of the political and economic crisis are difficult to predict but full-scale invasion of Russian troops into Ukraine has had significant adverse influence onto the Ukrainian economy.

Whilst management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances, a continuation of the current unstable business environment could negatively affect the Company's results and financial position in a manner not currently determinable. These financial statements reflect management's current assessment of the impact of the Ukrainian business environment on the operations and the financial position of the Company. The future business environment may differ from management's assessment.

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17. Related party balances and transactions

The ultimate controlling party is a non-resident individual.

The related party balances and transactions are as follows:

17.1 Receivables from related parties and subsidiaries (Note 10)

<u>Name</u>	<u>Nature of transactions</u>	2021 US\$	2020 US\$
DC "Gospodarnik"	Non-bearing loan	1,881,964	1,881,964
DC "Gospodarnyk Sovki"	Non-bearing loan	173,638	173,638
DC "Retail Center"	Non-bearing loan	-	-
DC "Monzanilla"	Administration services	-	6,142
LLC "Amiverda"	Administration services	1,249,434	1,249,434
		<u>3,305,036</u>	<u>3,311,178</u>

17.2 Payables to related parties and subsidiaries (Note 14)

<u>Name</u>	<u>Nature of transactions</u>	2021 US\$	2020 US\$
Plimsoll Investments Limited	Finance	162,813	162,813
LLC "Gospodarnyk"	Administration and other expenses	23,794	23,794
Boule Capital	Consultancy fees	1,230,984	1,230,984
I.F.C.	Finance	-	2,055,602
Locrin Holdings Limited	Consultancy fees	11,945	11,945
Amiverda Limited	Finance	202,369	202,369
		<u>1,631,968</u>	<u>3,687,507</u>

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For the year ended 31 December 2021

17.3 Loans from related parties (Note 13)

	Terms	2021 US\$	2020 US\$
Plimsoll Investments Limited	3%	68,454	60,162
Locrin Holding Ltd	10.5%	1,082,972	834,648
Boule Capital	4.4 -10.5%	2,890,805	2,566,092
		<u>4,042,231</u>	<u>3,460,902</u>

All the loans and borrowings are denominated in US\$ Dollars

18. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2021.

19. Commitments

Global Depositary Shares (GDR's)

During the year 2006 the Company has offered 1,078,000 Global Depositary shares representing 539 Ordinary shares of Nominal Value of GBP1.00 each in the form of Global Depositary Shares (GDRs) evidenced by Global Depositary Receipts registered under the United States Securities Act of 1933. Each Share will be represented by 2,000 Global Depositary Shares at an offer price of US\$ 24,722.

These GDRs are not being offered in the USA but are offered to investors outside of the USA under the Securities Act by Dragon Capital, as a placement agent for the Company in reliance on Regulation S.

Additionally, the Company has offered 340,000 Rule 144A Global Depositary Shares representing 170 Ordinary Shares of Nominal Value of STG1, in the form of Global Depositary Shares 144 A GDSs at an offer price of US\$ 24,722 per 144A GDS. Both the Regulation S Global Depositary Shares and Rule 144A Global Depositary Shares were traded on the Frankfurt Stock Exchange in the Regulated Unofficial Market (Open Market) until April 2011.

There were no changes in the GDR's Position of the Company as of 31 December 2021.

20. Events after the reporting period

On February 24, 2022 the troops of Russian Federation directly invaded into the territory under control of the Ukrainian government. This invasion and its consequences had deteriorated further market conditions of the company and raised the issue of continuation of business in Ukraine – its main market.