

**Globaltruck Management Group**

**IFRS Interim Condensed Consolidated Financial Statements  
(Unaudited)**

**for the six months ended 30 June 2017**

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(Unaudited)

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## ***Report on Review of the Interim Condensed Consolidated Financial Statements***

To the Shareholders and Management of JSC Globaltruck Management:

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of JSC Globaltruck Management (formerly – LLC Globaltruck Management) and its subsidiaries (the “Group”) as of 30 June 2017 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

18 September 2017

Moscow, Russian Federation

J.G. Tabakova, certified auditor (licence no. 01-000272), AO PricewaterhouseCoopers Audit

Audited entity: JSC Globaltruck Management (reorganised from LLC Globaltruck Management on 21 July. 2017)

Certificate of inclusion in the Unified State Register of Legal Entities issued on 26 September 2016 under registration # 1167746903928

Russian Federation, 105082, Moscow, 16/15 Spartakovskaya sq., building 2

Independent auditor: AO PricewaterhouseCoopers Audit

State registration certificate № 008.890, issued by the Moscow Registration Chamber on 28 February 1992

Certificate of inclusion in the Unified State Register of Legal Entities issued on 22 August 2002 under registration № 1027700148431

Member of Self-regulated organization of auditors «Russian Union of auditors» (Association)

ORNZ 11603050547 in the register of auditors and audit organizations

**GLOBALTRUCK MANAGEMENT GROUP**
**Interim Condensed Consolidated Statement of Financial Position as at 30 June 2017 (Unaudited)**

<i>In thousands of Russian roubles</i>	Note	30 June 2017	31 December 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	4,080,333	4,220,641
Investment property		61,903	62,803
Intangible assets		1,670	3,270
Finance lease receivables		38,133	30,950
Prepayments for purchases of property, plant and equipment		25,976	-
Deferred tax assets		1,125	-
Other non-current assets		2	2
<b>Total non-current assets</b>		<b>4,209,142</b>	<b>4,317,666</b>
<b>Current assets</b>			
Inventories		128,335	120,925
Trade and other receivables	6	920,111	896,749
Current income tax prepayments		5,220	5,256
Loans issued		7,795	4,238
Finance lease receivables		46,482	42,002
Cash and cash equivalents	7	79,439	185,078
<b>Total current assets, net of non-current assets held for sale</b>		<b>1,187,382</b>	<b>1,254,248</b>
Non-current assets held for sale	5	41,047	15,370
<b>Total current assets</b>		<b>1,228,429</b>	<b>1,269,618</b>
<b>TOTAL ASSETS</b>		<b>5,437,571</b>	<b>5,587,284</b>
<b>EQUITY</b>			
Charter capital	8	3,725,000	3,725,000
Reserve for business combination under common control and other reserves	8	(3,432,641)	(3,432,641)
Retained earnings		1,252,762	1,149,254
<b>TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>		<b>1,545,121</b>	<b>1,441,613</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	9	1,455,284	1,425,963
Deferred income tax liabilities		269,187	282,058
Derivative financial instruments	9	2,697	16,566
<b>Total non-current liabilities</b>		<b>1,727,168</b>	<b>1,724,587</b>
<b>Current liabilities</b>			
Borrowings	9	1,601,949	1,849,319
Trade and other payables	10	483,365	415,343
Current income tax payable		7,919	7,757
Net assets attributable to non-controlling participants in subsidiaries with put option rights		27,777	17,068
Derivative financial instruments	9	44,272	76,977
Dividends payable	8	-	54,620
<b>Total current liabilities</b>		<b>2,165,282</b>	<b>2,421,084</b>
<b>TOTAL LIABILITIES</b>		<b>3,892,450</b>	<b>4,145,671</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5,437,571</b>	<b>5,587,284</b>

Approved for issue and signed on 18 September 2017

Elizaveta Anatolyevna Markunina  
General Director

**GLOBALTRUCK MANAGEMENT GROUP****Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months Ended 30 June 2017 (Unaudited)**

<i>In thousands of Russian roubles</i>	<b>Note</b>	<b>Six months ended 30 June</b>	
		<b>2017</b>	<b>2016</b>
Revenue	11	3,108,594	2,939,489
Cost of sales	12	(2,513,833)	(2,333,051)
<b>Gross profit</b>		<b>594,761</b>	<b>606,438</b>
General and administrative expenses	13	(245,039)	(223,646)
Other operating income and expenses, net	14	(380)	20,981
<b>Operating profit</b>		<b>349,342</b>	<b>403,773</b>
Finance income	15	1,746	132,940
Finance costs	16	(229,446)	(267,597)
<b>Profit before income tax</b>		<b>121,642</b>	<b>269,116</b>
Income tax expense		(18,134)	(56,569)
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>		<b>103,508</b>	<b>212,547</b>
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<b>103,508</b>	<b>212,547</b>

The accompanying notes on pages 5 to 22 are an integral part of these interim condensed consolidated financial statements.

**GLOBALTRUCK MANAGEMENT GROUP**  
**Interim Condensed Consolidated Statement of Changes in Equity for the six months ended**  
**30 June 2017 (Unaudited)**

		Charter capital	Retained earnings	Reserve for business combination under common control and other reserves	Total equity attributable to the owners of the company
<i>In thousands of Russian roubles</i>	<b>Note</b>				
<b>Balance as of 1 January 2016</b>		-	881,610	261,359	1,142,969
Profit for the period		-	212,547	-	212,547
<b>Total comprehensive income for the six months ended 30 June 2016</b>		-	212,547	-	212,547
Contribution from GT Globaltruck Limited to the Group's capital		-	-	21,000	21,000
Dividends declared	8		(37,000)		(37,000)
<b>Balance at 30 June 2016</b>		-	1,057,157	282,359	1,339,516
<b>Balance at 1 January 2017</b>	1, 8	3,725,000	1,149,254	(3,432,641)	1,441,613
Profit for the period		-	103,508	-	103,508
<b>Total comprehensive income for the six months ended 30 June 2017</b>		-	103,508	-	103,508
<b>Balance at 30 June 2017</b>	1, 8	3,725,000	1,252,762	(3,432,641)	1,545,121

The accompanying notes on pages 5 to 22 are an integral part of these interim condensed consolidated financial statements.

**GLOBALTRUCK MANAGEMENT GROUP**  
**Interim Condensed Consolidated Statement of Cash Flows for the six months ended**  
**30 June 2017 (Unaudited)**

<i>In thousands of Russian roubles</i>	Note	Six months ended 30 June	
		2017	2016
<b>Cash flows from operating activities</b>			
Profit before income tax		121,642	269,116
Adjustments for:			
Depreciation of property, plant and equipment	5	229,961	198,813
Depreciation of investment property		900	995
Provision for impairment of trade and other receivables	14	5,113	13,868
Gains less losses on disposals of property, plant and equipment and assets held for sale	12, 14	(10,525)	(56,565)
Interest income on finance lease, deposits and loans	11, 15	(6,854)	(9,383)
Interest expense	16	171,845	200,342
Foreign exchange losses/(gains) from borrowings and cash	15, 16	37,536	(131,133)
Loss on revaluation of derivatives	16	9,356	62,689
Other non-cash operating items		8,490	(7,686)
<b>Operating cash flows before working capital changes</b>		<b>567,464</b>	<b>541,056</b>
Net change in trade and other receivables		(33,216)	(2,930)
Net change in inventories		(7,410)	(33,131)
Net change in trade and other payables		68,022	56,033
Income taxes paid		(31,932)	(23,461)
Interest income received		6,713	9,383
Interest paid		(172,103)	(201,152)
<b>Cash from operating activities</b>		<b>397,538</b>	<b>345,798</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(42,312)	(174,313)
Proceeds from the sale of property, plant and equipment and assets held for sale		128,894	300,806
Acquisition of intangible assets		1,600	-
Loans issued		(2,379)	-
Repayment of loans issued		5,192	-
Proceeds from finance lease receivables		35,897	31,628
Repayments of bank deposits		-	13,000
<b>Net cash from investing activities</b>		<b>126,892</b>	<b>171,121</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		916,246	1,210,060
Repayment of borrowings		(1,435,370)	(1,488,404)
(Payments)/proceeds from derivative financial instruments		(55,930)	11,494
Contribution from GT Globaltruck Limited to the Group's capital		-	21,000
Dividends paid to the owners	8	(54,620)	(37,000)
<b>Net cash used in financing activities</b>		<b>(629,674)</b>	<b>(282,850)</b>
Effect of exchange rate changes on cash and cash equivalents		(395)	471
<b>Cash and cash equivalents at the beginning of the period</b>	7	<b>185,078</b>	<b>82,544</b>
<b>Cash and cash equivalents at the end of the period</b>	7	<b>79,439</b>	<b>317,084</b>

During six months ended 30 June 2017 the Group received motor vehicles under finance lease agreements in the amount of RR 259,008 thousand (six months ended 30 June 2016: RR 142,886 thousand). These transactions did not require the use of cash and cash equivalents and therefore were not included in the interim condensed consolidated statement of cash flows.

**GLOBALTRUCK MANAGEMENT GROUP****Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2017 (Unaudited)****1 General Information about the Group and its Activities**

LLC Globaltruck Management which was reorganised to JSC Globaltruck Management on 21 July 2017 (the "Company") was set up in September 2016 in accordance with Russian Law, it operates in the Russian Federation and as at the reporting date is a company limited by ownership interest of its participants.

In November 2016, GT Globaltruck Limited (Cyprus) became the Company's parent. In December 2016, investments held by GT Globaltruck Limited were contributed to the Company as a contribution to its charter capital. Accordingly, the Company became the parent of the Group.

As the Company was not a joint-stock company at the reporting date, these interim condensed consolidated financial statements do not include the measures "Earnings per share" and "Dividends per share".

At 30 June 2017 and 31 December 2016, the Company's parent was GT Globaltruck Limited; the ultimate parent of the Group was Litten Investments Ltd; the ultimate control over the Company was exercised by A.L. Eliseev.

**Principal activity.** The Group's principal business activity is cargo transportation services using trucks within the Russian Federation, CIS and Europe. The weighted average number of vehicles operated by the Group during the six months ended 30 June 2017 is 1,097 semi-trailer trucks (the six months ended 30 June 2016: 1,103 semi-trailer trucks). At 30 June 2017, the Group operates 1,088 semi-trailer trucks (31 December 2016: 1,112 semi-trailer trucks). The main customers of the Group are international retailers operating in Russia as well as some of the largest Russian industrial producers.

Interest in subsidiaries is as follows:

Name	Nature of business	Percentage of ownership and voting rights		Country of incorporation
		30 June 2017	31 December 2016	
JSC Lorry	Cargo transportation	100%	100%	Russian Federation
LLC Magna	Cargo transportation	70%	70%	Russian Federation
LLC Longrun Logistic	Cargo transportation	70%	70%	Russian Federation
LLC Globaltruck Logistic	Cargo transportation	100%	100%	Russian Federation
LLC Challenger	Cargo transportation	100%	100%	Russian Federation
LLC Uraltransinvest	Lease out of premises	99.9%	99.9%	Russian Federation

In May 2017, the Group took a decision to reorganise LLC Challenger through its merger with LLC Globaltruck Logistic. At 30 June 2017, the process of reorganisation was not completed.

**Registered address and place of business.** The Company's registered address is 16/15 Spartakovskaya Sq., Bldg. 2, Moscow, 105082. The Group's principal place of business is the Russian Federation.

**2 Seasonality**

To a limited extent, the Group's results of operations have historically fluctuated on a seasonal basis, with the Group's fourth-quarter results generally being stronger than those of its other quarters. This reflects seasonality in the transportation and logistics industry generally, as increased activity by manufacturers and retailers in anticipation of the New Year holiday season results in an increase in activity in the fourth quarter. The first quarter historically has been a low revenue quarter, while operating expenses tend to be higher in the first quarter primarily due to weather condition.



### **3 Basis of Preparation and Summary of Significant Accounting Policies**

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with IAS 34, *Interim Financial Reporting*. The consolidated statement of financial position as at 31 December 2016 is based on data of the consolidated statement of financial position included in the Group's consolidated financial statements as at 31 December 2016. These unaudited condensed interim consolidated financial statements do not contain all mandatory information to be disclosed in annual consolidated financial statements and should be read together with the Group's consolidated financial statements for the year ended 31 December 2016 prepared in accordance with the International Financial Reporting Standards (IFRS).

The same accounting policies and methods of computation were followed in the preparation of these unaudited interim condensed consolidated financial statements as with the Group's consolidated financial statements for the year ended 31 December 2016, except for changes related to application of new and amended standards and interpretations effective from 1 January 2017 and the estimation of income tax. During the interim period, income tax was recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

#### ***Adoption of New or Revised Standards and Interpretations***

The following amendments became effective for the Group from 1 January 2017:

- Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12 (issued on 19 January 2016 and effective for annual periods beginning on or after 1 January 2017).
- Disclosure Initiative – Amendments to IAS 7 (issued on 29 January 2016 and effective for annual periods beginning on or after 1 January 2017).
- Annual Improvements to IFRSs 2014-2016 – Amendments to IFRS 12 (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2017).

These amendments did not have a material impact on the interim condensed consolidated financial statements.

#### ***New Accounting Pronouncements***

Certain new standards, amendments and interpretations have been issued but have not been early adopted by the Group:

- IFRS 9 "Financial Instruments: Classification and Measurement" (issued in July 2014 and effective for annual periods beginning on or after 1 January 2018).
- IFRS 15, Revenue from Contracts with Customers (issued on 28 May 2014 and effective for the periods beginning on or after 1 January 2018).
- IFRS 16 "Leases" (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019).
- Amendments to IFRS 15, Revenue from Contracts with Customers (issued on 12 April 2016 and effective for the annual periods beginning on or after 1 January 2018).
- IFRIC 23 "Uncertain Tax Positions" (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- Amendments to IFRS 2, Share-based Payment (issued on 20 June 2016 and effective for annual periods beginning on or after 1 January 2018).
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – Amendments to IFRS 4 (issued on 12 September 2016 and effective, depending on the approach, for annual periods beginning on or after 1 January 2018 for entities that choose to apply temporary exemption option, or when the entity first applies IFRS 9 for entities that choose to apply the overlay approach).

**3 Basis of Preparation and Summary of Significant Accounting Policies (continued)**

- Annual Improvements to IFRSs 2014-2016 cycle – Amendments to IFRS 1 and IAS 28 (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).
- Transfers of Investment Property – Amendments to IAS 40 (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).
- IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021).

The Group is currently assessing the impact of the new standards on its consolidated financial statements. Unless otherwise described above, the new standards, amendments and interpretations are not expected to affect or significantly affect the Group's consolidated financial statements.

***Functional and presentation currency***

The functional currency of each of the Group's entities is the currency of the primary economic environment, in which the entity operates. The functional currency of the Company and its subsidiaries is the national currency of the Russian Federation – Russian roubles ("RR"). The interim condensed consolidated financial statements are presented in Russian Roubles ("RR"), which is the presentation currency of these financial statements.

***Critical accounting estimates and judgements***

Preparation of interim condensed consolidated financial statements involves the Group's management responsibility to make judgement, estimates and assumptions that have an effect on application of accounting policies and amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

The same significant judgements in respect of application of the accounting policies and major sources of uncertainty were applied in the preparation of these unaudited interim condensed consolidated financial statements as with the Group's consolidated financial statements as at 31 December 2016 and for the year then ended, except for estimates for the purpose of income tax.

***Going concern***

Management prepared these interim condensed consolidated financial statements on a going concern basis. In making this judgement management considered the Group's financial position, current intentions, profitability of operations and access to financial resources, and analysed the impact of the situation in the financial markets on the operations of the Group. The Group had an excess of current liabilities over its current assets of RR 936,853 thousand at 30 June 2017 (31 December 2016: RR 1,151,466 thousand).

At 30 June 2017, the main assets of the Group are represented by transportation fleet with carrying amount of RR 3,938,327 thousand (31 December 2016: RR 4,078,089 thousand) for which active market exists.

At 30 June 2017, the Group's current liabilities include outstanding borrowings in the amount of RR 1,601,949 thousand, which is lower by RR 247,370 thousand than at 31 December 2016. The Group is refinancing its current loan liabilities through attracting new borrowings in 2017 and does not anticipate any issues with further refinancing. In July – August of 2017, the Group attracted new loans in the amount of RR 346,552 thousand under revolving credit lines for working capital financing (Note 21).

In accordance with the approved budget of the Group companies for 2017-2018, management expects that cash inflows from operating activities will be sufficient to cover the current deficit of liquidity, which is supported by the actual results of the Group in July – August of 2017.

**3 Basis of Preparation and Summary of Significant Accounting Policies (continued)**

The management plans that the remaining working capital deficit will be covered by cash flows from operating activities, which will be received in particular from the acquisition in 2015 of trucking business resulting in increase of transportation fleet in the amount of RR 688,535 thousand to expand the Group's operations and from the renewed transportation fleet acquired under finance lease arrangements in 2016-2017 (Note 5).

These circumstances, along with other factors, allow management to state that the Group will continue as a going concern for at least 12 months after the reporting date and meet its financial obligations.

**4 Balances and Transactions with Related Parties**

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

At 30 June 2017, the outstanding balances with related parties were as follows:

<i>In thousands of Russian roubles</i>	<b>Companies under control of the participant with significant influence over the Group</b>	<b>Key management personnel</b>
Loans issued	-	950
Trade and other payables	303	1,926
Trade receivables	894	-

The income and expense items with related parties for the reporting period ended 30 June 2017 were as follows:

<i>In thousands of Russian roubles</i>	<b>Companies under control of the participant with significant influence over the Group</b>	<b>Key management personnel</b>
Revenue from services rendered	1,240	-
Gain on disposal of property, plant and equipment	1,695	-
Interest income	-	92

At 31 December 2016, the outstanding balances with related parties were as follows:

<i>In thousands of Russian roubles</i>	<b>Immediate Parent Company</b>	<b>Companies under control of the participant with significant influence over the Group</b>	<b>Key management personnel</b>
Loans issued	-	-	4,238
Trade and other payables	-	6	1,914
Dividends payable	54,620	-	-

The income and expense items with related parties for the reporting period ended 30 June 2016 were as follows:

<i>In thousands of Russian roubles</i>	<b>Companies under control of the participant with significant influence over the Group</b>	<b>Key management personnel</b>
Revenue from services rendered	1,034	-
Interest income	-	162

Information on dividends is presented in Note 8.

**GLOBALTRUCK MANAGEMENT GROUP****Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2017 (Unaudited)****4 Balances and Transactions with Related Parties (continued)**

As of 30 June 2017, borrowings in the amount of RR 709,212 thousand (31 December 2016: RR 834,854 thousand) are secured by suretyship from the Company's parent GT Globaltruck Limited.

*Key management compensation*

At 30 June 2017 and 31 December 2016 key management included 7 directors of the Company and Group subsidiaries and 8 members of the Boards of Directors. Key management compensation is presented below:

<i>In thousands of Russian roubles</i>	<b>Six months ended 30 June 2017</b>		<b>Six months ended 30 June 2016</b>	
	<b>Expenses</b>	<b>Accrued liability</b>	<b>Expenses</b>	<b>Accrued liability</b>
Salaries and short-term bonuses	7,946	-	8,673	163
Social insurance and pension contribution charges	2,528	-	2,327	50
Other	1,533	188	2,272	-
<b>Total</b>	<b>12,007</b>	<b>188</b>	<b>13,272</b>	<b>213</b>

Total amount of short-term bonuses falls due within twelve months after the end of the period in which management rendered the related services.

**5 Property, Plant and Equipment**

Movements in the carrying amount of property, plant and equipment were as follows:

<i>In thousands of Russian roubles</i>	<b>Land and buildings</b>	<b>Motor vehicles</b>	<b>Other</b>	<b>Construc- tion in progress</b>	<b>Total</b>
<b>Carrying amount at 31 December 2015</b>	<b>198,670</b>	<b>3,807,488</b>	<b>11,563</b>	<b>-</b>	<b>4,017,721</b>
Cost at 31 December 2015	200,158	4,589,959	30,140	-	4,820,257
Accumulated depreciation	(1,488)	(782,471)	(18,577)	-	(802,536)
<b>Carrying amount at 31 December 2015</b>	<b>198,670</b>	<b>3,807,488</b>	<b>11,563</b>	<b>-</b>	<b>4,017,721</b>
Additions	5,663	307,035	413	1,430	314,541
Reclassification from non-current assets held for sale	-	15,200	-	-	15,200
Reclassification to non-current assets held for sale – cost	-	(2,432)	-	-	(2,432)
Reclassification to non-current assets held for sale – depreciation	-	602	-	-	602
Disposals – cost	(60,217)	(22,515)	(5,290)	-	(88,022)
Disposals – accumulated depreciation	1,513	852	346	-	2,711
Depreciation	(5,857)	(191,654)	(1,302)	-	(198,813)
<b>Carrying amount at 30 June 2016</b>	<b>139,772</b>	<b>3,914,576</b>	<b>5,730</b>	<b>1,430</b>	<b>4,061,508</b>
Cost at 30 June 2016	145,604	4,887,247	25,263	1,430	5,059,544
Accumulated depreciation	(5,832)	(972,671)	(19,533)	-	(998,036)
<b>Carrying amount at 30 June 2016</b>	<b>139,772</b>	<b>3,914,576</b>	<b>5,730</b>	<b>1,430</b>	<b>4,061,508</b>

**GLOBALTRUCK MANAGEMENT GROUP**
**Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2017 (Unaudited)**
**5 Property, Plant and Equipment (continued)**

	Land and buildings	Motor vehicles	Other	Construc- tion in progress	Total
<i>In thousands of Russian roubles</i>					
<b>Carrying amount at 31 December 2016</b>	<b>135,579</b>	<b>4,078,089</b>	<b>5,342</b>	<b>1,631</b>	<b>4,220,641</b>
<b>Cost at 31 December 2016</b>	149,550	5,205,771	25,851	1,631	5,382,803
<b>Accumulated depreciation</b>	(13,971)	(1,127,682)	(20,509)	-	(1,162,162)
<b>Carrying amount at 31 December 2016</b>	<b>135,579</b>	<b>4,078,089</b>	<b>5,342</b>	<b>1,631</b>	<b>4,220,641</b>
Additions	5,011	272,683	2,536	174	280,404
Reclassification to non-current assets held for sale – cost	-	(54,571)	-	-	(54,571)
Reclassification to non-current assets held for sale – depreciation	-	17,203	-	-	17,203
Disposals – cost	-	(194,391)	(4,577)	-	(198,968)
Disposals – accumulated depreciation	-	42,739	2,846	-	45,585
Depreciation	(5,490)	(223,425)	(1,046)	-	(229,961)
<b>Carrying amount at 30 June 2017</b>	<b>135,100</b>	<b>3,938,327</b>	<b>5,101</b>	<b>1,805</b>	<b>4,080,333</b>
<b>Cost at 30 June 2017</b>	154,561	5,229,492	23,810	1,805	5,409,668
<b>Accumulated depreciation</b>	(19,461)	(1,291,165)	(18,709)	-	(1,329,335)
<b>Carrying amount at 30 June 2017</b>	<b>135,100</b>	<b>3,938,327</b>	<b>5,101</b>	<b>1,805</b>	<b>4,080,333</b>

At 30 June 2017 motor vehicles include assets under finance lease with a carrying amount of RR 949,896 thousand (31 December 2016: RR 796,756 thousand).

Additions for the six months ended 30 June 2017 mainly relate to motor vehicles received under finance lease agreements in the amount of RR 259,008 thousand (the six months of 2016: RR 142,886 thousand).

At 30 June 2017 property, plant and equipment with a carrying amount of RR 2,295,879 thousand (31 December 2016: RR 2,187,004 thousand) were pledged to third parties as collateral for borrowings.

As of 30 June 2017, assets held for sale with a carrying amount of RR 41,047 thousand (31 December 2016: RR 15,370 thousand) represent vehicles to be provided to third parties under direct sales transactions or finance lease agreements.

At 30 June 2017 and 31 December 2016, the Group management did not identify impairment indicators in relation to property, plant and equipment.

**6 Trade and Other Receivables**

	30 June 2017	31 December 2016
<i>In thousands of Russian roubles</i>		
Trade receivables	803,797	760,942
Other financial receivables	42,419	32,011
Less: impairment provision	(52,422)	(47,481)
<b>Total financial assets within receivables</b>	<b>793,794</b>	<b>745,472</b>
Other receivables	17,129	21,159
Prepayments	112,021	132,779
Less: impairment provision	(2,833)	(2,661)
<b>Total trade and other receivables</b>	<b>920,111</b>	<b>896,749</b>

At 30 June 2017, trade receivables net of impairment provision in the amount of RR 53,362 thousand (2016: RR 43,267 thousand) are denominated in foreign currency, including 86% of this amount in euro (2016: 93%).

**GLOBALTRUCK MANAGEMENT GROUP****Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2017 (Unaudited)****7 Cash and Cash Equivalents**

	30 June 2017	31 December 2016
<i>In thousands of Russian roubles</i>		
Cash on hand	170	325
Bank balances payable on demand	57,998	89,296
Term deposits with original maturity of less than three months	21,271	95,457
<b>Total cash and cash equivalents</b>	<b>79,439</b>	<b>185,078</b>

**8 Equity**

Dividends declared and paid by the Group were as follows:

	Six months ended 30 June 2017	Six months ended 30 June 2016
<i>In thousands of Russian roubles</i>		
<b>Dividends payable at the beginning of the reporting period</b>	<b>54,620</b>	<b>1,620</b>
Dividends declared during the period	-	37,000
Dividends paid during the period	(54,620)	(37,000)
<b>Dividends payable at the end of the reporting period</b>	<b>-</b>	<b>1,620</b>

**9 Borrowings**

	30 June 2017	31 December 2016
<i>In thousands of Russian roubles</i>		
<b>Term loans, including:</b>	<b>2,323,588</b>	<b>2,686,989</b>
Short term loans	624,931	579,851
Short term portion of long term loans	802,739	824,521
Long term loan reclassified due to breach of the covenants	-	303,502
Long term loans	895,918	979,115
<b>Finance lease liabilities, including:</b>	<b>733,645</b>	<b>588,293</b>
Short term portion of finance lease liability	174,279	141,445
Long term portion of finance lease liability	559,366	446,848
<b>Total borrowings</b>	<b>3,057,233</b>	<b>3,275,282</b>

At 30 June 2017, the Group had borrowings raised on the following terms and conditions:

	Carrying amount	Final settlement
<i>In thousands of Russian roubles</i>		
<b>Term loans</b>		
<i>Term loans in Russian roubles</i>		
- Bank loans, floating interest rates: MosPrime 1M + 3.5%	266,668	2017
- Bank loans, fixed interest rates: 9.65% – 14.26%	1,328,277	2017 – 2020
- Bank loans: overdraft with a floating rate 12.22%-13.69%	18,039	2017
<b>Total term loans in Russian roubles</b>	<b>1,612,984</b>	
<i>Term loans in euro</i>		
- Bank loan, floating interest rates: EURIBOR 1M + 3.75%-3.378%	284,830	2019
- Bank loan, floating interest rates: EURIBOR 3M + 4.5%	424,382	2019
- Bank loan, fixed interest rate: 4.72%	1,392	2018
<b>Total term loans in euro</b>	<b>710,604</b>	
<b>Total term loans</b>	<b>2,323,588</b>	

**GLOBALTRUCK MANAGEMENT GROUP**
**Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2017 (Unaudited)**
**9 Borrowings (continued)**

<i>In thousands of Russian roubles</i>	<b>Carrying amount</b>	<b>Final settlement</b>
<b>Finance lease liabilities</b>		
- Russian roubles, effective interest rates: 10.19% – 19.85%	724,828	2022
- Euro, effective interest rates: 7.78% – 7.81%	8,817	2018
<b>Total finance lease liabilities</b>	<b>733,645</b>	
<b>Total borrowings</b>	<b>3,057,233</b>	

At 31 December 2016, the Group had borrowings raised on the following terms and conditions:

<i>In thousands of Russian roubles</i>	<b>Carrying amount</b>	<b>Final settlement</b>
<b>Term loans</b>		
<i>Term loans in Russian roubles</i>		
- Bank loans, floating interest rates: MosPrime 1M + 3,5% – MosPrime 1M + 3,6%	333,904	2017 – 2018
- Bank loans, fixed interest rates: 9.65% – 14.92%	1,516,951	2017 – 2020
<b>Total term loans in Russian roubles</b>	<b>1,850,855</b>	
<i>Term loans in euro</i>		
- Bank loans, floating interest rates: EURIBOR 1M + 3.75% – EURIBOR 1M + 5.5%	336,613	2019
- Bank loan, floating interest rates: EURIBOR 3M + 4.5%	497,367	2019
- Bank loan, fixed interest rate: 4.72%	2,154	2018
<b>Total term loans in euro</b>	<b>836,134</b>	
<b>Total term loans</b>	<b>2,686,989</b>	
<b>Finance lease liabilities</b>		
- Russian roubles, effective interest rates: 10.28% – 19.85%	573,747	2021
- Euro, effective interest rates: 7.78% – 7.81%	14,546	2018
<b>Total finance lease liabilities</b>	<b>588,293</b>	
<b>Total borrowings</b>	<b>3,275,282</b>	

The carrying amounts and fair values of borrowings are as follows:

<i>In thousands of Russian roubles</i>	<b>Carrying amount</b>		<b>Fair value</b>	
	<b>30 June 2017</b>	<b>31 December 2016</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
Term loans	2,323,588	2,686,989	2,328,842	2,653,370

The effective interest rate on bank loans and borrowings for the six months ended 30 June 2017 was 9.8% (for the six months ended 30 June 2016: 10.5%).

The fair value of finance lease liabilities approximates their carrying amount. The fair values of bank loans with fixed interest rates are based on cash flows discounted using a rate based on official average market rates for loans to legal entities, effective at the reporting date, published by the Central Bank of the Russian Federation. The fair values of term loans with floating interest rates are assessed to be equal to their carrying amounts. The fair values of bank loans are within level 3 of the fair value hierarchy.

**9 Borrowings (continued)**

At 30 June 2017, the Group has not ensured compliance with some covenants related to loan agreements with banks for the total amount of RR 1,635,421 thousand. The Group received official letters related to these loan agreements before the reporting date, whereby the banks confirmed the waiver of their right to demand early repayment. The above letters were obtained by the Group before the reporting date, and therefore the Group is not required to reclassify these loans to current liabilities as at 30 June 2017.

At 31 December 2016, the Group has not ensured compliance with some covenants related to loan agreements with banks for the total amount of RR 1,884,567 thousand. The Group received official letters in respect of loans amounting to RR 1,386,326 thousand before the reporting date, whereby the banks confirmed the waiver of their right to demand early repayment.

In respect of the loan in the amount of RR 498,241 thousand the Group did not receive a confirmation from the bank whereby the lender would have waived its right to claim early repayment of the loan before the reporting date. As a result, the Group classified the loan as a current loan at 31 December 2016, including liabilities with the maturity exceeding one year for the amount of RR 303,502 thousand. The confirmation on the breach of the covenants under the loan agreement, whereby the lender waived its right to claim early repayment of the loan, was subsequently received in 2017, which led to its reclassification back to non-current assets at 30 June 2017.

Borrowings with the carrying amount of RR 1,938,991 thousand (2016: RR 1,929,059 thousand) are secured by pledge of property, plant and equipment and investment property. Refer to Note 5 and 17.

**Derivative financial instruments**

In 2016, the Group entered into two cross-currency interest-rate swap agreements with AO UniCredit Bank. The terms of respective derivative agreements provide for the Group to perform payments to the bank in Russian roubles at a fixed interest rate of 10.87% p.a. and 11.15% p.a. respectively, while the bank will respectively perform payments to the Group in euro using the floating interest rate of EURIBOR 1M + 3.75% and EURIBOR 3M + 4.5%. The cross-currency interest-rate swap agreements mature in July 2018 and June 2018, respectively.

In 2015, the Group entered into two cross-currency interest-rate swap agreements with AO UniCredit Bank. The terms of respective derivative agreements provide for the Group to perform payments to the bank in Russian roubles at a fixed interest rate of 12.57% p.a. and 12.97% p.a., while the bank will perform payments to the Group in euro using the floating interest rate of EURIBOR 3M + 4.5%. The cross-currency interest-rate swap agreements mature in September 2018 and September 2017, respectively.

In 2014, the Group entered into two cross-currency interest-rate swap agreements. These agreements were concluded with AO UniCredit Bank. In 2014, this bank issued a loan to the Group amounting to EUR 10,000 thousand at EURIBOR 1M+3.75% with the maturity in June 2019. Under the terms of related agreements on financial derivatives, the Group makes payments to the bank in Russian roubles at the fixed rate of 8.9% p.a. and the bank makes payments to the Group in euro at the floating interest rate EURIBOR 1M+3.75%. The cross-currency interest-rate swap agreements matured in July 2016.



**9 Borrowings (continued)**

The table below presents fair values of receivables and payables under these swap contracts at the end of the reporting period. The table reflects the gross positions before the netting off of any counterparty positions (and payments) and covers contracts with settlement dates after the respective end of the reporting period.

	30 June 2017		31 December 2016	
	Contracts with positive fair value	Contracts with negative fair value	Contracts with positive fair value	Contracts with negative fair value
<i>In thousands of Russian roubles</i>				
<b>Cross-currency and interest-rate swaps: fair value at the end of the reporting period</b>				
- Euro receivable upon settlement (+)	-	317,460	-	466,165
- Russian roubles payable upon settlement (-)	-	(364,429)	-	(559,708)
<b>Net fair value of cross-currency and interest-rate swaps</b>	-	<b>(46,969)</b>	-	<b>(93,543)</b>

At 30 June 2017, amounts due under swap agreements are represented by non-current and current liabilities of RR 2,697 thousand and RR 44,272 thousand, respectively (31 December 2016: RR 16,566 thousand and RR 76,977 thousand, respectively).

Cross-currency interest-rate derivative financial instruments entered into by the Group are generally traded in an over-the-counter market with professional market counterparties on standardised contractual terms and conditions. Derivatives have potentially favourable (assets) or unfavourable (liabilities) terms resulting from fluctuations in the market interest rates, exchange rates or other variable factors related to such derivatives. The aggregate fair value of derivative financial assets and liabilities may fluctuate considerably with time.

The Group does not apply hedge accounting in respect of its foreign currency obligations or interest rate exposures.

**Finance leases**

Total amounts of minimum lease payments under finance leases and their present values are presented below:

	Maturity less than 1 year	Maturity between 1 and 5 years	Total
<i>In thousands of Russian roubles</i>			
<b>Total minimum lease payments at 30 June 2017</b>	<b>251,267</b>	<b>668,606</b>	<b>919,873</b>
Less future finance charges	(76,989)	(109,239)	(186,228)
<b>Present value of minimum lease payments at 30 June 2017</b>	<b>174,278</b>	<b>559,367</b>	<b>733,645</b>
<b>Total minimum lease payments at 31 December 2016</b>	<b>206,524</b>	<b>545,711</b>	<b>752,235</b>
Less future finance charges	(65,079)	(98,863)	(163,942)
<b>Present value of minimum lease payments at 31 December 2016</b>	<b>141,445</b>	<b>446,848</b>	<b>588,293</b>

Leased assets with a carrying amount disclosed in Note 5 are effectively pledged against finance lease liabilities as the rights to the leased asset revert to the lessor in the event of default.

**GLOBALTRUCK MANAGEMENT GROUP****Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2017 (Unaudited)****10 Trade and Other Payables**

	30 June 2017	31 December 2016
<i>In thousands of Russian roubles</i>		
Trade payables	150,042	123,058
Other payables	37,501	19,750
<b>Total financial payables within trade and other payables</b>	<b>187,543</b>	<b>142,808</b>
Taxes payable other than on income	153,260	148,962
Payroll settlements	90,536	77,548
Social insurance contributions payable	40,291	34,587
Advances from customers	4,865	4,486
Other payables	6,870	6,952
<b>Trade and other payables</b>	<b>483,365</b>	<b>415,343</b>

At 30 June 2017, taxes payable other than on income mainly includes value added tax payable in the amount RR 142,787 thousand (31 December 2016: RR 135,100 thousand).

**11 Analysis of Revenue by Category**

	<b>Six months ended 30 June</b>	
<i>In thousands of Russian roubles</i>	<b>2017</b>	<b>2016</b>
Transportation services	2,849,284	2,669,018
Expedition services	250,002	252,986
Interest income on finance lease agreements	5,108	7,576
Rental income	4,052	9,690
Other	148	219
<b>Total revenue</b>	<b>3,108,594</b>	<b>2,939,489</b>

**12 Cost of Sales**

	<b>Six months ended 30 June</b>	
<i>In thousands of Russian roubles</i>	<b>2017</b>	<b>2016</b>
Fuel	958,299	839,550
Salaries and bonuses	521,128	467,363
Expenses for expedition services	228,520	238,699
Depreciation of property, plant and equipment	227,871	196,484
Travel costs	173,165	178,224
Social security contributions	121,137	103,917
Repairs and maintenance services	109,442	119,415
Insurance	95,336	76,197
Materials and components used	63,877	100,753
Taxes other than on income	9,073	12,405
Production related services	4,819	7,201
Operating lease expense for property, plant and equipment	2,705	2,894
Gain on disposal of property plant and equipment	(10,525)	(21,000)
Other	8,986	10,949
<b>Total cost of sales</b>	<b>2,513,833</b>	<b>2,333,051</b>

The total depreciation charge of property, plant and equipment for the six months ended 30 June 2017 amounted to RR 229,961 thousand (the six months ended 30 June 2016: RR 198,813 thousand). Total amount of personnel compensation, including social security contributions, for the six months ended 30 June 2017 amounted to RR 849,462 thousand (the six months ended 30 June 2016: RR 754,701 thousand).

Contributions to the Russian State Pension Fund within cost of sales for the six months ended 30 June 2017 amounted to RR 85,398 thousand (the six months ended 30 June 2016: RR 74,738 thousand).

**GLOBALTRUCK MANAGEMENT GROUP****Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2017 (Unaudited)****13 General and Administrative Expenses**

<i>In thousands of Russian roubles</i>	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
Salaries and bonuses	158,492	141,506
Social security contributions	48,705	41,915
Information and consulting services	7,869	8,445
Loss on operational lease of property, plant and equipment	7,795	8,618
Depreciation of property, plant and equipment	2,090	2,329
Utility charges	614	4,159
Taxes other than on income	574	2,092
Other	18,900	14,582
<b>Total general and administrative expenses</b>	<b>245,039</b>	<b>223,646</b>

Contributions to the Russian State Pension Fund within general and administrative expenses for six months ended 30 June 2017 amounted to RR 30,858 thousand (six months ended 30 June 2016: RR 28,758 thousand).

**14 Other Operating Income and Expenses**

<i>In thousands of Russian roubles</i>	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
Foreign exchange gain/(loss)	2,815	(6,363)
VAT write-off	(492)	(18)
Provision for impairment of trade and other receivables	(5,113)	(13,868)
Gains less losses on disposals of property, plant and equipment and assets held for sale	-	35,565
Loss on trade receivables write-off	-	(96)
Other income and expenses – net	2,410	5,761
<b>Total other operating income and expenses, net</b>	<b>(380)</b>	<b>20,981</b>

**15 Finance Income**

<i>In thousands of Russian roubles</i>	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
Interest income on bank deposits and loans issued	1,746	1,807
Foreign exchange gains from borrowings and cash, net	-	131,133
<b>Total finance income</b>	<b>1,746</b>	<b>132,940</b>

**16 Finance Costs**

<i>In thousands of Russian roubles</i>	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
Interest expense on bank loans	126,657	188,473
Interest expense under finance lease agreements	45,188	11,869
Foreign exchange losses from borrowings and cash, net	37,536	-
Losses from the increase in net assets attributable to non-controlling participants with put option rights	10,709	4,566
Losses from derivative financial instruments	9,356	62,689
<b>Total finance costs</b>	<b>229,446</b>	<b>267,597</b>

## 17 Contingencies and Commitments

**Legal proceedings.** From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates and both internal and external professional advice, management is of the opinion that no material losses will be incurred in respect of potential claims.

**Tax contingencies.** Russian tax and customs legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax non-compliant counterparties. Fiscal periods remain open to tax reviews for three calendar years preceding the year when decision about review was made. Under certain circumstances reviews may cover longer periods.

The Russian transfer pricing legislation is to a large extent aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD). This legislation allows tax authorities to assess additional taxes for controllable transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's length basis. Management has implemented an internal control system to be in compliance with the current transfer pricing legislation.

Tax liabilities arising from transactions between the Group companies are determined based on actual transaction price. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be insignificant to the financial position and/or the overall operations of the Group.

The Russian tax legislation does not always provide clear guidance with respect to all the issues. While management currently estimates that the tax positions and interpretations that it has taken can be sustained with a high probability, there is a risk that an outflow of resources will be required, should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

**Capital expenditure commitments.** At 30 June 2017 the Group has contractual capital expenditure commitments in respect of property, plant and equipment totalling RR 1,314,443 thousand, including principal and interest payments under finance lease agreements in the amount of RR 974,007 thousand. At 31 December 2016 the Group had no material capital expenditure commitments.

**Operating lease commitments.** Where the Group is the lessee, the future minimum lease payable under non-cancellable operating leases are as follows:

<i>In thousands of Russian roubles</i>	30 June 2017	31 December 2016
Not later than one year	12,364	8,638
<b>Total operating lease commitments</b>	<b>12,364</b>	<b>8,638</b>

**Assets pledged and restricted.** At 30 June 2017 and 31 December 2016, the Group has the following assets pledged as collateral:

<i>In thousands of Russian roubles</i>	Note	30 June 2017		31 December 2016	
		Asset pledged	Insured liability	Pledged assets	Insured liability
Property, plant and equipment and investment property pledged under bank loans	5, 9	2,357,782	1,938,991	2,249,807	1,929,059
Property, plant and equipment pledged under finance lease liabilities	5, 9	949,896	733,645	796,756	588,293
<b>Total</b>		<b>3,307,678</b>	<b>2,672,636</b>	<b>3,046,563</b>	<b>2,517,352</b>

**17 Contingencies and Commitments (continued)**

**Environmental matters.** The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are immediately recognised in the consolidated financial statements. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

**Compliance with covenants.** The Group is subject to certain covenants related primarily to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group including growth in the cost of borrowings and declaration of default. Information as regards compliance with covenants under loan agreements is disclosed Note 9.

**18 Segment Information**

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The functions of the CODMs are performed by the Group's owners.

The Group operates within one operating segment – transportation and expedition services.

**Factors that management uses to identify the operating segments**

- the principal activity of all Group companies is cargo transportation;
- the Group's performance is assessed and resources are allocated based on reports prepared for the Group as a whole and within one operating segment, which are submitted to the Group's owners;
- long-term planning of profit indicators is exercised for the Group as a whole and within one operating segment.

**Measurement of performance, profit or loss, assets and liabilities of operating segments**

The CODM reviews financial information prepared based on Russian accounting standards adjusted to meet the requirements of internal reporting. The reconciliation of major items of income or expense with the data included in the interim condensed consolidated financial statements is disclosed in this note below. The CODM evaluates performance of the segment based on profit before tax.

**Information about profit or loss of the reportable segment**

Segment information for the reportable segments for the period ended 30 June 2017 is set out below:

<i>In thousands of Russian roubles</i>	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
Revenue for reportable segment	3,093,597	2,928,631
Profit before tax of the reportable segment	184,990	292,602

**18 Segment Information (continued)**
**Reconciliation of the reportable segment profit or loss**

<i>In thousands of Russian roubles</i>	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenue for reportable segment</b>	<b>3,093,597</b>	<b>2,928,631</b>
Reclassification of interest income on finance lease agreements	5,108	7,576
Adjustment for the rental income	4,052	9,690
Other adjustments	5,837	(6,408)
<b>Revenue under IFRS</b>	<b>3,108,594</b>	<b>2,939,489</b>

<i>In thousands of Russian roubles</i>	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
<b>Profit before tax of the reportable segment</b>	<b>184,990</b>	<b>292,602</b>
Recognition of derivative financial instruments at fair value	30,060	(76,786)
Accrual of expenses for leased assets	23,543	3,393
Provision for impairment of trade and other receivables	(5,608)	(13,679)
Difference in value of inventory	(6,352)	3,176
Difference in value of net assets attributable to non-controlling participants with put option rights	(9,985)	(4,566)
Recognition of income from lease agreements	(13,418)	(12,975)
Revaluation of loans in foreign currency	(15,988)	99,306
Difference in value of property, plant and equipment and depreciation	(52,501)	(56,024)
Other	(13,099)	34,669
<b>Profit before income tax under IFRS</b>	<b>121,642</b>	<b>269,116</b>

**Analysis of revenues by products and services**

The Group's revenue breakdown by products and services is provided in Note 11.

**Geographical information**

The Group's revenue breakdown by geographic location is provided below:

<i>In thousands of Russian roubles</i>	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
Russia	2,963,955	2,795,739
Other countries	144,639	143,750
<b>Total consolidated revenue</b>	<b>3,108,594</b>	<b>2,939,489</b>

The analysis is based on the country of registration of the customer. Revenues include revenue from core operations, interest income on finance lease and other operational revenue.

**Major customers**

For the period ended 30 June 2017 and 30 June 2016, the Group did not have customers who would account for 10% or more of its total revenues.

**19 Financial Risks and Fair Value Measurements**

**Financial risks.** The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk. These interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2016. There have been no changes in the Group's risk management policies during the six months ended 30 June 2017.

**19 Financial Risks and Fair Value Measurements (continued)**

**Fair value measurements.** Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuation techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

**(a) Recurring fair value measurements**

Recurring fair value measurements are those that the accounting standards require or permit in the consolidated statement of financial position at the end of each reporting period.

**Financial instruments carried at fair value.** Derivative financial instruments are carried at their fair value in the consolidated statement of financial position and are categorised to Level 2 measurements.

The fair values in Level 2 of fair value hierarchy were estimated using the discounted cash flows valuation technique. There were no changes in valuation technique, assumptions and inputs used for recurring fair value measurements of Level 2 during the period ended 30 June 2017 and 31 December 2016.

Gains and losses on derivatives are included in finance cost in profit or loss for the year (Note 16).

**(b) Assets and liabilities not measured at fair value but for which fair value is disclosed**

Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

	30 June 2017			
<i>In thousands of Russian roubles</i>	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying value
<b>ASSETS</b>				
<b>Cash and cash equivalents (Note 7)</b>				
- Cash on hand	170	-	-	170
- Bank balances payable on demand	57,998	-	-	57,998
- Term deposits with original maturity of less than three months	-	21,271	-	21,271
<b>Trade and other receivables (Note 6):</b>				
- Trade receivables	-	-	759,270	759,270
- Other financial receivables	-	-	34,524	34,524
<b>Loans issued</b>	-	-	7,795	7,795
<b>Finance Lease Receivables</b>	-	-	84,615	84,615
<b>NON-FINANCIAL ASSETS</b>				
- Investment property	-	-	61,903	61,903
- Non-current assets held for sale (Note 5)	-	-	41,047	41,047
<b>TOTAL ASSETS</b>	<b>58,168</b>	<b>21,271</b>	<b>989,154</b>	<b>1,068,593</b>
<b>LIABILITIES</b>				
<b>Borrowings (Note 9)</b>				
- Term loans	-	-	2,328,842	2,323,588
- Finance lease liabilities	-	-	733,645	733,645
<b>Other financial liabilities (Note 10)</b>				
- Trade payables	-	-	150,042	150,042
- Other financial payables	-	-	37,501	37,501
<b>Net assets attributable to participants in subsidiaries with put option rights</b>	-	-	27,777	27,777
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>3,277,807</b>	<b>3,272,553</b>

**GLOBALTRUCK MANAGEMENT GROUP**
**Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2017 (Unaudited)**
**19 Fair Value Measurement (continued)**

	31 December 2016			
<i>In thousands of Russian roubles</i>	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying value
<b>ASSETS</b>				
<b>Cash and cash equivalents (Note 7)</b>				
- Cash on hand	325	-	-	325
- Bank balances payable on demand	89,296	-	-	89,296
- Term deposits with original maturity of less than three months	-	95,457	-	95,457
<b>Trade and other receivables (Note 6)</b>				
- Trade receivables	-	-	716,739	716,739
- Other financial receivables	-	-	28,733	28,733
<b>Loans issued</b>	-	-	4,238	4,238
<b>Finance lease receivables</b>	-	-	72,952	72,952
<b>NON-FINANCIAL ASSETS</b>				
- Investment property	-	-	62,803	62,803
- Non-current assets held for sale (Note 5)	-	-	15,370	15,370
<b>TOTAL ASSETS</b>	<b>89,621</b>	<b>95,457</b>	<b>900,835</b>	<b>1,085,913</b>
<b>LIABILITIES</b>				
<b>Borrowings (Note 9)</b>				
- Term loans	-	-	2,653,370	2,686,989
- Finance lease liabilities	-	-	588,293	588,293
<b>Other financial liabilities (Note 10)</b>				
- Trade payables	-	-	123,058	123,058
- Other financial payables	-	-	19,750	19,750
<b>Net assets attributable to participants in subsidiaries with put option rights</b>	-	-	17,068	17,068
<b>Dividends payable (Note 8)</b>	-	-	54,620	54,620
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>3,456,159</b>	<b>3,489,778</b>

The fair values in Levels 2 and 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was assumed as equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities.

**Financial assets carried at amortised cost.** The estimated fair value of fixed interest rate instruments is based on estimated future cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on the credit risk of the counterparty.

**Liabilities carried at amortised cost.** The fair value of floating rate instruments is normally their carrying amount. Fair values of other liabilities were determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturities were estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risks and remaining maturities. At 30 June 2017 the discount rate was 13% (31 December 2016: 15%). Refer to Note 9.

**20 Presentation of Financial Instruments by Measurement Category**

For the purposes of measurement in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, the Group classifies its financial assets into the following categories: (a) loans and receivables and (b) financial assets at fair value through profit or loss. All of the Group's financial assets except for derivative financial instruments (cash and cash equivalents, trade and other receivables, loans issued, finance lease receivables) fall in the loans and receivables category. Derivative financial instruments (Note 9) fall in the financial assets at fair value through profit or loss category.

All of the Group's financial liabilities except for derivatives are carried at amortised cost. Derivatives belong to the fair value through profit or loss measurement category as held for trading.



**21 Events after the Reporting Period**

On 10 July 2017, LLC Gruzoprovod was established with 100% ownership of the Company.

On 21 July 2017, the Company was reorganised in the form of a joint stock company.

In July – August 2017, the Group borrowed RR 346,552 thousand under revolving credit lines for working capital financing. For the same period, the Group repaid loans in the amount of RR 593,296 thousand.

In August 2017, GT Globaltruck Limited contributed RR 25,000 thousand to the Company's capital without increase of the Charter capital and passed a resolution to contribute additional amount of RR 63,900 thousand to the Company's capital without increase of the Charter capital that will be paid in September, 2017.

On 15 August 2017, the Company passed a resolution to issue 37,250,000 ordinary shares at the nominal value of RR 100 each to be placed by public subscription. This issue of shares has not been registered and the shares have not been issued as at the date of issuance of these Interim Condensed Consolidated Financial Statements.

In August-September 2017, the Group signed a lease agreement for supply of 25 trucks and a purchase agreement for supply of 57 semi-trailers in total amount of RR 274,799 thousand. Delivery of the vehicles to the Group is scheduled for the fourth quarter of 2017.

In September, 2017, the non-controlling participants of LLC Longrun Logistis and LLC Magna applied for withdrawal from these subsidiaries for the total consideration in the amount of RR 114,078 thousand. The Company purchased non-controlling interest of LLC Longran Logistic as at the date of issuance of these Interim Condensed Consolidated Financial Statements. The Company plans to acquire non-controlling interest in LLC Magna in September-October, 2017.