

GREENOX_Financial Statements for the six months to 30.06.2016

Relevant announcement is attached.

Attachment:

1. **GREENOX_Financial Statements for six months to 30.06.2016**

Non Regulated

Publication Date: 30/09/2016

GREENOX LIMITED

**UNAUDITED CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

For the period from 1 January 2016 to 30 June 2016

GREENOX LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the period from 1 January 2016 to 30 June 2016

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GREENOX LIMITED**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**For the period from 1 January 2016 to 30 June 2016

	Note	Supplementary information			
		30/06/2016 €	30/06/2015 € (restated)	30/06/2016 RUB	30/06/2015 RUB (restated)
Net profit from investing activities	5	6.112.284	11.404.530	437.153.768	815.657.966
Administrative expenses	6	<u>(24.408)</u>	<u>(10.132)</u>	<u>(1.745.676)</u>	<u>(724.653)</u>
Operating profit		<u>6.087.876</u>	<u>11.394.398</u>	<u>435.408.092</u>	<u>814.933.313</u>
Finance income	7	700	15.349	50.034	1.097.788
Finance expenses	7	<u>(1.929.390)</u>	<u>(1.552.575)</u>	<u>(137.991.022)</u>	<u>(111.040.994)</u>
Net finance expenses		<u>(1.928.691)</u>	<u>(1.537.226)</u>	<u>(137.940.988)</u>	<u>(109.943.206)</u>
Profit before tax		4.159.185	9.857.172	297.467.104	704.990.107
Tax	8	<u>(448.502)</u>	<u>(296.093)</u>	<u>(32.077.106)</u>	<u>(21.176.751)</u>
Profit for the period		<u>3.710.683</u>	<u>9.561.079</u>	<u>265.389.998</u>	<u>683.813.356</u>
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>3.710.683</u>	<u>9.561.079</u>	<u>265.389.998</u>	<u>683.813.356</u>

The notes on pages 5 to 17 are an integral part of these unaudited condensed consolidated interim financial statements.

GREENOX LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITIONAs at 30 June 2016

	Note	Supplementary information		30/06/2016 RUB	31/12/2015 RUB
		30/06/2016 €	31/12/2015 €		
Assets					
Property, plant and equipment		16.188	16.188	1.157.782	1.157.782
VAT receivable		<u>746</u>	<u>746</u>	<u>53.390</u>	<u>53.390</u>
Total non-current assets		<u>16.934</u>	<u>16.934</u>	<u>1.211.172</u>	<u>1.211.172</u>
Inventories		1.569	1.597	112.199	114.199
Trade and other receivables		44.018	43.990	3.148.168	3.146.169
Loans receivable		212	212	15.161	15.161
Financial assets at fair value through profit or loss	9	67.070.019	63.187.851	4.796.883.032	4.519.228.330
Cash and cash equivalents	10	<u>12.940</u>	<u>12.940</u>	<u>925.503</u>	<u>925.503</u>
Total current assets		<u>67.128.758</u>	<u>63.246.590</u>	<u>4.801.084.063</u>	<u>4.523.429.362</u>
Total assets		<u>67.145.692</u>	<u>63.263.524</u>	<u>4.802.295.235</u>	<u>4.524.640.534</u>
Equity					
Share capital	11	5.636	5.636	403.100	403.100
Capital reserve		4.894	4.894	350.000	350.000
Accumulated losses		<u>(3.307.428)</u>	<u>(7.018.111)</u>	<u>(236.548.974)</u>	<u>(501.938.972)</u>
Total equity		<u>(3.296.898)</u>	<u>(7.007.581)</u>	<u>(235.795.874)</u>	<u>(501.185.872)</u>
Liabilities					
Loans and borrowings	12	<u>69.422.729</u>	<u>68.374.982</u>	<u>4.965.150.120</u>	<u>4.890.214.699</u>
Total non-current liabilities		<u>69.422.729</u>	<u>68.374.982</u>	<u>4.965.150.120</u>	<u>4.890.214.699</u>
Short term portion of long-term loans	12	16.928	16.928	1.210.672	1.210.672
Trade and other payables	13	845.945	1.879.195	60.502.451	134.401.035
Tax liability		<u>156.988</u>	<u>-</u>	<u>11.227.866</u>	<u>-</u>
Total current liabilities		<u>1.019.861</u>	<u>1.896.123</u>	<u>72.940.989</u>	<u>135.611.707</u>
Total liabilities		<u>70.442.590</u>	<u>70.271.105</u>	<u>5.038.091.109</u>	<u>5.025.826.406</u>
Total equity and liabilities		<u>67.145.692</u>	<u>63.263.524</u>	<u>4.802.295.235</u>	<u>4.524.640.534</u>

The notes on pages 5 to 17 are an integral part of these unaudited condensed consolidated interim financial statements.

GREENOX LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2016 to 30 June 2016

Supplementary information

	Share capital €	Capital reserve €	Accumulated losses €	Total €	Share capital RUB	Capital reserve RUB	Accumulated losses RUB	Total RUB
Balance at 1 January 2015	5.636	4.894	(20.506.011)	(20.495.481)	403.100	350.000	(1.466.600.578)	(1.465.847.478)
Total comprehensive income for the period	-	-	9.561.079	9.561.079	-	-	683.813.356	683.813.356
Balance at 30 June 2015	<u>5.636</u>	<u>4.894</u>	<u>(10.944.932)</u>	<u>(10.934.402)</u>	<u>403.100</u>	<u>350.000</u>	<u>(782.787.222)</u>	<u>(782.034.122)</u>
Balance at 1 January 2016	5.636	4.894	(7.018.111)	(7.007.581)	403.100	350.000	(501.938.972)	(501.185.872)
Total comprehensive income for the period	-	-	3.710.683	3.710.683	-	-	265.389.998	265.389.998
Balance at 30 June 2016	<u>5.636</u>	<u>4.894</u>	<u>(3.307.428)</u>	<u>(3.296.898)</u>	<u>403.100</u>	<u>350.000</u>	<u>(236.548.974)</u>	<u>(235.795.874)</u>

The notes on pages 5 to 17 are an integral part of these unaudited condensed consolidated interim financial statements.

GREENOX LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWSFor the period from 1 January 2016 to 30 June 2016

		Supplementary information			
	Note	30/06/2016 €	30/06/2015 € (restated)	30/06/2016 RUB	30/06/2015 RUB (restated)
Cash flows from operating activities					
Profit for the period		3.710.683	9.561.078	265.389.998	683.813.356
Adjustments for:					
Unrealised exchange loss/(profit)	7	3.841	(13.647)	274.742	(976.071)
Net profit from investing activities	5	(6.112.284)	(11.404.530)	(437.153.768)	(815.657.966)
Interest expense	7	1.929.390	1.552.575	137.991.022	111.040.994
Income tax expense	8	<u>448.502</u>	<u>296.093</u>	<u>32.077.106</u>	<u>21.176.751</u>
		(19.868)	(8.431)	(1.420.900)	(602.936)
Change in trade and other receivables		-	2.238	-	160.000
Change in trade and other payables		<u>311.382</u>	<u>302.286</u>	<u>22.270.140</u>	<u>21.619.687</u>
Cash generated from operations		291.514	296.093	20.849.240	21.176.751
Tax paid		<u>(291.514)</u>	<u>(296.093)</u>	<u>(20.849.240)</u>	<u>(21.176.751)</u>
Net cash generated from operating activities		-	-	-	-
Net increase in cash and cash equivalent					
		-	-	-	-
Cash and cash equivalents at beginning of the period		<u>12.940</u>	<u>12.940</u>	<u>925.503</u>	<u>925.503</u>
Cash and cash equivalents at end of the period	10	<u><u>12.940</u></u>	<u><u>12.940</u></u>	<u><u>925.503</u></u>	<u><u>925.503</u></u>

The notes on pages 5 to 17 are an integral part of these unaudited condensed consolidated interim financial statements.

GREENOX LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2016 to 30 June 2016

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Greenox Limited (the "Company") was incorporated in Cyprus on 19 November 2012 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 165 Spyrou Araouzou, Lordos Waterfront, 2nd Floor, Flat/Office 201, 3035 Limassol, Cyprus.

The principal activity of the Company is the holding of investments.

The principal activity of the Group is the development and management of a road bitumen production facility in Russia. The Group did not carry out its principal activity during the period.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the period from 1 January 2016 to 30 June 2016 consist of the financial statements of the Company and its subsidiary (which together referred to as "the Group").

(a) Statement of compliance

These unaudited interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2015.

(b) Basis of measurement

These unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except in the case of investments, which are shown at their fair value.

(c) Going concern basis

Even though the Group has made a profit of RUB265.389.998 during the period from 1 January 2016 to 30 June 2016, as at that date its liabilities exceeded its assets by RUB235.795.874. These conditions as set forth in note 16 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Notwithstanding the level of net liabilities as at the reporting date, the Group's financial statements have been prepared on a going concern basis on the assumption that the Company's shareholder has the ability to and will provide the Group the necessary financial support, or that alternative financial arrangements will be made, to enable it to operate as a going concern and to pay its liabilities as they fall due.

(d) Adoption of new and revised International Financial Reporting Standards and Interpretations as adopted by the European Union (EU)

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

Several new standards and amendments apply for the first time in 2016. However they do not impact the annual consolidated financial statements or the unaudited condensed consolidated financial statements of the Group.

GREENOX LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2016 to 30 June 2016

2. BASIS OF PREPARATION *(continued)*

(e) Use of estimates and judgments

The preparation of unaudited condensed consolidated financial statements in accordance with IFRSs requires from Management the exercise of judgment, to make estimates and assumptions that influence the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in notes:

- Note 9 - Financial assets at fair value through profit or loss
- Note 15 - Financial instruments

(f) Functional and presentation currency

The unaudited condensed consolidated financial statements are presented in Russian Rubles (RUB) which is the functional currency of the Group. In addition to presenting the financial statements in Russian Rubles, supplementary information in Euro has been presented only for primary financial statements, i.e. consolidated statements of profit or loss and other comprehensive income, financial position, changes in equity and cash flows, for the convenience of users of the financial statements. No supplementary information has been presented in the notes. All amounts in the financial statements are translated from Russian Rubles to Euro at the exchange rate at 30 June 2016 of RUB71,52 to €1 as per the European Central Bank.

GREENOX LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFor the period from 1 January 2016 to 30 June 2016**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these unaudited condensed consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2015.

4. FAIR VALUE MEASUREMENT

The table below analyses assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June 2016	Level 1 RUB	Level 2 RUB	Level 3 RUB	Total RUB
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Listed debt instruments	4.410.929.763	-	-	4.410.929.763
Listed equity instruments	<u>385.953.269</u>	<u>-</u>	<u>-</u>	<u>385.953.269</u>
Total	<u>4.796.883.032</u>	<u>-</u>	<u>-</u>	<u>4.796.883.032</u>
31 December 2015	Level 1 RUB	Level 2 RUB	Level 3 RUB	Total RUB
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Listed debt instruments	4.247.706.077	-	-	4.247.706.077
Listed equity instruments	<u>271.522.253</u>	<u>-</u>	<u>-</u>	<u>271.522.253</u>
Total	<u>4.519.228.330</u>	<u>-</u>	<u>-</u>	<u>4.519.228.330</u>

Transfers between levels

There have been no transfers between different levels during the period.

Valuation techniques*Listed investments*

The fair values of investments traded on active liquid markets are determined with reference to quoted market prices. These investments are included within Level 1 of the hierarchy. If the quoted prices are observable in markets that are not active, these investments are included within Level 2 of the hierarchy.

GREENOX LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFor the period from 1 January 2016 to 30 June 2016**4. FAIR VALUE MEASUREMENT (continued)***Loans and borrowings*

The fair values of loans and borrowings and non-derivative debentures for disclosure purpose are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market interest rates prevailing at the measurement date for the loans and non-derivative debentures denominated in the same currency and with similar maturity dates.

5. PROFIT FROM INVESTING ACTIVITIES

	30/06/2016 RUB	30/06/2015 RUB (restated) ^a
Fair value gain on financial assets at fair value through profit or loss	276.479.859	815.657.966
Bond interest income	<u>160.673.909</u>	<u>-</u>
	<u><u>437.153.768</u></u>	<u><u>815.657.966</u></u>

a) See note 19.

6. ADMINISTRATIVE EXPENSES

	30/06/2016 RUB	30/06/2015 RUB
Independent auditors' remuneration	158.090	185.506
Accounting fees	106.386	-
Consulting fees	439.500	-
Company levy fee	26.985	-
Trustee and custody fees	913.407	352.462
Sundry expenses	<u>101.308</u>	<u>186.685</u>
	<u><u>1.745.676</u></u>	<u><u>724.653</u></u>

7. NET FINANCE INCOME AND EXPENSES

	30/06/2016 RUB	30/06/2015 RUB
Finance income		
Net foreign exchange profit	<u>50.034</u>	<u>1.097.788</u>
Finance costs		
Interest expense		
Loan interest	31.743.991	31.743.991
Debenture interest	<u>106.247.031</u>	<u>79.297.003</u>
	<u><u>137.991.022</u></u>	<u><u>111.040.994</u></u>

GREENOX LIMITED**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period from 1 January 2016 to 30 June 2016****8. TAXATION**

	30/06/2016 RUB	30/06/2015 RUB (restated) ^a
Overseas tax withheld on interest	<u>32.077.106</u>	<u>21.176.751</u>

a) See note 19.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30/06/2016 RUB	31/12/2015 RUB
Balance at 1 January		
	4.519.228.330	3.852.574.209
Additions	26.659.024	8.701.658.972
Disposals	(186.158.090)	(9.294.333.331)
Fair value adjustment	<u>437.153.768</u>	<u>1.259.328.480</u>
Balance at 30 June / 31 December	<u>4.796.883.032</u>	<u>4.519.228.330</u>

On 16 December 2013, the Company acquired a portfolio of listed debt and equity instruments from its ultimate beneficial owner, at market value. The consideration payable was converted into a long term debt towards the holding company (Note 12). Furthermore, on 2 June 2014, the Company received a portfolio of listed debt securities as a consideration for the debentures allotted through closed private placement, from the majority bondholder (Note 12).

During the current period, the Group acquired additional listed equity securities of Sberbank of Russia for a total consideration of RUB26,6 million.

In addition, during the current period the Group received interest income and proceeds from redemption of the Volgograd region bonds upon their maturity.

The Group's portfolio of listed debt and equity instruments are classified as financial assets at fair value through profit or loss and are measured at their fair value being the market value at the close of business on 31 December and 30 June by reference to Stock Exchange quoted prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

The fair value gain on investments for the current period was due mainly to increase in the quoted prices of the equity securities (Sberbank of Russia) and debt securities (Russian Government Bonds) held by the Group at the period-end.

GREENOX LIMITED**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period from 1 January 2016 to 30 June 2016****10. CASH AND CASH EQUIVALENTS**

Cash balances are analysed as follows:

	30/06/2016 RUB	31/12/2015 RUB
Cash in hand	924.953	924.953
Cash at bank	<u>550</u>	<u>550</u>
	<u><u>925.503</u></u>	<u><u>925.503</u></u>

11. SHARE CAPITAL

	30/06/2016 Number of shares	30/06/2016 RUB	31/12/2015 Number of shares	31/12/2015 RUB
Authorised				
Ordinary shares of €1 (RUB40,3100) each	<u>10.000</u>	<u>403.100</u>	<u>10.000</u>	<u>403.100</u>
Issued and fully paid				
Balance at 1 January	<u>10.000</u>	<u>403.100</u>	<u>10.000</u>	<u>403.100</u>
Balance at 30 June / 31 December	<u><u>10.000</u></u>	<u><u>403.100</u></u>	<u><u>10.000</u></u>	<u><u>403.100</u></u>

Authorised capital

Under its Memorandum the Company fixed its share capital at 10.000 ordinary shares of nominal value of €1 (RUB40,3100 each).

Issued capital

Upon incorporation on 19 November 2012 the Company issued to the subscribers of its Memorandum of Association 10.000 ordinary shares of €1 (RUB40,3100) each at par.

During the current period the beneficial owner, who holds 100% interest in the Group, changed from Mr. Artur Lagranskiy to Ms. Ljudmyla Bokochova.

12. LOANS AND BORROWINGS

	30/06/2016 RUB	31/12/2015 RUB
Balance at 1 January	4.891.425.371	5.069.458.916
Repayments	(63.055.601)	(416.522.982)
Interest expense	<u>137.991.022</u>	<u>238.489.437</u>
Balance at 30 June / 31 December	<u><u>4.966.360.792</u></u>	<u><u>4.891.425.371</u></u>

GREENOX LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFor the period from 1 January 2016 to 30 June 2016**12. LOANS AND BORROWINGS** *(continued)*

	30/06/2016 RUB	31/12/2015 RUB
Non-current liabilities		
Debentures	4.162.332.520	4.056.085.489
Loan from related party (note 14 (iii))	<u>802.817.600</u>	<u>834.129.210</u>
	<u>4.965.150.120</u>	<u>4.890.214.699</u>
Current liabilities		
Loans from related parties (note 14 (ii))	<u>1.210.672</u>	<u>1.210.672</u>
Total	<u>4.966.360.792</u>	<u>4.891.425.371</u>

On 16 December 2013, the ultimate beneficial owner (UBO), sold an investment portfolio to the Company at market value (Note 9). The liability was converted into long term debt towards the holding company where the loan bears interest of 8% per annum and is repayable by 15 December 2023.

The Company issued 3.997.708 non-convertible debentures with face value of RUB1.000 each and the redemption date on 22 September 2018. The issue date was 22 September 2013. Lock up period was fixed to six months from the date of allotment. The debentures bear an interest rate of 4% per annum, non-compounded, from the date of their issue up to 22 September 2015, and 5,33% per annum, non-compounded, up to 22 September 2018. The interest is payable on two specific dates. The first payment was made on 22 September 2015 and the second payment will be made on 22 September 2018. The debentures were offered through private closed placement on 2 June 2014. The consideration was received partly in cash of RUB924.953 and partly in kind, in form of listed debt securities, in the amount equivalent to RUB4.107 million (Note 9).

A net debit balance with the shareholder amounting to RUB63 million on 30 June 2016 was set off with the loan payable to holding company during the current period, as a partial repayment of the loan interest (Note 13).

The short-term loans from related parties are interest-free, unsecured and repayable on demand.

13. TRADE AND OTHER PAYABLES

	30/06/2016 RUB	31/12/2015 RUB
Shareholders' current accounts - credit balances (note 14 (iii))	-	71.423.012
Other payables	56.456.799	56.456.800
Accruals	1.066.402	2.713.945
Other creditors	<u>2.979.250</u>	<u>3.807.278</u>
	<u>60.502.451</u>	<u>134.401.035</u>

GREENOX LIMITED**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the period from 1 January 2016 to 30 June 2016**13. TRADE AND OTHER PAYABLES** *(continued)*

Other payables include a liability for the refund of 62.258 "OFZ" listed debt securities at fair value to Cassin Investments Ltd. These OFZs were originally transferred to the Company as a consideration for the subscription to the Company's non-convertible debentures. After that, Cassin Investments Ltd withdrew its interest in acquiring the Company's debentures. Therefore this amount is refundable.

The credit balance in the shareholder's current account on 31 December 2015 represents financing of the operating activities of the Company by the shareholder in the previous years. During 2016 the balance was fully netted off with a debit balance from investment transactions with the shareholder which resulted in a net debit balance of RUB63 million on 30 June 2016 and which was set off with the loan payable to holding company as a partial repayment of the loan interest (note 13).

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

14. RELATED PARTY TRANSACTIONS

The parent company is Primeline Plc, incorporated in Seychelles, which owns 100% of the Company's ordinary shares. During the current period the ultimate beneficial owner, who holds 100% interest in the Group, changed from Mr. Artur Lagranskiy to Ms. Ljudmyla Bokochova.

The transactions and balances with related parties are as follows:

(i) Interest expense

	30/06/2016 RUB	30/06/2015 RUB
Holding company	<u>31.743.991</u>	<u>31.743.991</u>

(ii) Loans from related parties (note 12)

	30/06/2016 RUB	31/12/2015 RUB
Loans payable to the Director of subsidiary	720.078	720.078
Loans payable to related companies	<u>490.594</u>	<u>490.594</u>
	<u>1.210.672</u>	<u>1.210.672</u>

The loans are unsecured, interest-free and are repayable on demand.

GREENOX LIMITED**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period from 1 January 2016 to 30 June 2016****14. RELATED PARTY TRANSACTIONS** *(continued)***(iii) Shareholders' current accounts - credit balances**

	30/06/2016 RUB	31/12/2015 RUB
Payables to shareholder (Note 13)	-	71.423.012
Loan payable to the holding company (Note 12)	<u>802.817.600</u>	<u>834.129.210</u>
	<u>802.817.600</u>	<u>905.552.222</u>

The loan is unsecured, bears interest of 8% and is repayable by 15 December 2023.

Payables to shareholder are interest free, and have no specified repayment date.

15. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**Financial risk management**

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 December 2015.

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2016 to 30 June 2016

15. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(continued)*

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30/06/2016

	Designated at fair value RUB	Carrying amount Borrowings and Loans and receivables RUB	other financial liabilities RUB	Total RUB	Level 1 RUB	Level 2 RUB	Level 3 RUB	Total RUB
Financial assets measured at fair value								
Debt securities	4.410.929.763	-	-	4.410.929.763	4.410.929.763	-	-	4.410.929.763
Equity securities	385.953.269	-	-	385.953.269	385.953.269	-	-	385.953.269
	<u>4.796.883.032</u>	<u>-</u>	<u>-</u>	<u>4.796.883.032</u>				
Financial assets not measured at fair value								
Trade and other receivables	-	3.148.168	-	3.148.168				
Cash and cash equivalents	-	925.503	-	925.503				
Loan receivable	-	15.161	-	15.161	-	-	-	-
	<u>-</u>	<u>4.088.832</u>	<u>-</u>	<u>4.088.832</u>				
Financial liabilities not measured at fair value								
Other short term loans	-	-	1.210.672	1.210.672				
Other long term loans	-	-	802.817.600	802.817.600	-	-	424.045.132	424.045.132
Unsecured debenture issues	-	-	4.162.332.520	4.162.332.520	-	-	-	-
Trade and other payables	-	-	60.502.451	60.502.451	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5.026.863.243</u>	<u>5.026.863.243</u>				

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFor the period from 1 January 2016 to 30 June 2016**15. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT** *(continued)***31/12/2015**

31/12/2015	Carrying amount			Fair value				
	Designated at fair value RUB	Loans and receivables RUB	Borrowings and other financial liabilities RUB	Total RUB	Level 1 RUB	Level 2 RUB	Level 3 RUB	Total RUB
Financial assets measured at fair value								
Debt securities	4.247.706.007	-	-	4.247.706.007	2.247.706.007	-	-	2.247.706.007
Equity securities	<u>271.522.209</u>	<u>-</u>	<u>-</u>	<u>271.522.209</u>	271.522.209	-	-	271.522.209
	<u>4.519.228.216</u>	<u>-</u>	<u>-</u>	<u>4.519.228.216</u>				
Financial assets not measured at fair value								
Trade and other receivables	-	3.146.169	-	3.146.169				
Cash and cash equivalents	-	925.503	-	925.503				
Loan receivable	<u>-</u>	<u>15.161</u>	<u>-</u>	<u>15.161</u>	-	-	-	-
	<u>-</u>	<u>4.086.833</u>	<u>-</u>	<u>4.086.833</u>				
Financial liabilities not measured at fair value								
Other short term loans	-	-	1.210.672	1.210.672				
Other long term loans	-	-	834.129.210	834.129.210	-	-	464.070.508	464.070.508
Unsecured debenture issues	-	-	4.056.085.489	4.056.085.489	-	-	-	-
Trade and other payables	<u>-</u>	<u>-</u>	<u>134.401.035</u>	<u>134.401.035</u>	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5.025.826.406</u>	<u>5.025.826.406</u>				

GREENOX LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2016 to 30 June 2016

15. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(continued)*

Measurements of Fair value

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

<u>Type of financial instrument</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>
Other long term loans	Discounted cash flow	The discount rate was determined with reference to the market interest rate of 14,81% (2015: 14,21%) for long-term loans denominated in Rubles, prevailing at the measurement date. The source of the market interest rate is the data of the Central Bank of Russia.

The fair value of the unsecured non-convertible debentures could not be determined with sufficient reliability within constraints of timeliness and cost. Although the suspension from trading of debentures of the Company has been lifted and there was no restrictions on trading at the measurement date, there was no active market for the Company's debentures and therefore, the quoted price at the measurement date does not represent fair value. Moreover, the Company does not have a credit rating and the observable market data for comparable debentures could not be identified reliably in order to be used in estimating the fair value using applicable valuation technique, such as discounted cash flows. Therefore, the fair value of the non-convertible debentures is not disclosed in the financial statements.

16. GOING CONCERN BASIS

Even though the Group has made a profit of RUB265.389.998 during the period from 1 January 2016 to 30 June 2016, as at that date its liabilities exceeded its assets by RUB235.795.874. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The Group is dependent upon the continuing financial support of its shareholder without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The Company's shareholder has the ability to and will provide the Group the necessary financial support, or alternative financial arrangements will be made, to enable it to operate as a going concern and to pay its liabilities as they fall due.

17. CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 30 June 2016.

GREENOX LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFor the period from 1 January 2016 to 30 June 2016**18. EVENTS AFTER THE REPORTING PERIOD**

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

19. CORRECTION OF ERRORS

During 2015, the Group discovered that a number of investment related transactions included in financial assets at fair value through profit or loss in the consolidated statement of financial position were omitted from the prior year financial statements. As a result, a net loss from investment activities, tax and related liabilities were understated. The errors have been corrected by restating each of the affected financial statement line items for the period ended 30 June 2015. The following table summarises the impacts on the Group's unaudited condensed consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

	Impact of correction of error		
	As previously reported	Adjustments	As restated
For the period ended 30 June 2015			
	RUB	RUB	RUB
Net profit from investing activities	667.770.755	147.887.211	815.657.966
Tax	-	(21.176.751)	(21.176.751)
Others	(110.667.859)	-	(110.667.859)
Profit	<u>557.102.896</u>	<u>126.710.460</u>	<u>683.813.356</u>
Total comprehensive income	<u>557.102.896</u>	<u>126.710.460</u>	<u>683.813.356</u>