Petro Welt
Technologies

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2017

Key group figures

in EUR thousand	Q1–Q3 2017	Q1–Q3 2016	Change
Sales revenues	263,081	228,214	15.3%
Gross profit	50,885	46,643	9.1%
EBIT	33,914	33,709	0.6%
EBIT margin	12.9%	14.8%	
EBITDA	68,905	65,597	5.0%
EBITDA margin	26.2%	28.7%	-8.9%
Group result	29,416	27,886	5.5%
Earnings per share (EUR)	0.60	0.57	
Balance sheet total*	426,452	420,775	1.3%
Equity*	241,062	233,333	3.3%
Equity ratio*	56.5%	55.5%	
Cash flow from operating activities	46,511	48,022	-3.1%
Cash flows (used in) / from investing activities	(20,899)	(25,501)	-18.0%
Cash and cash equivalents	121,645	55,117	120.7%
EUR exchange rate at the end of reporting period*	68.4483	63.8111	7.3%
EUR average exchange rate for the reporting period	64.9319	76.2805	-14.9%
Employees (average)	3,537	3,224	9.7%

* as at 30 September 2017 and 31 December 2016 respectively

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Management Report Q1–Q3/2017

External environment

The Russian economy continued to grow in the third quarter of 2017. In the first nine months of the current year, both GDP and industrial output rose by 1.8%, transportation by 6.6%, and external trade by 26.4%. Inflation dropped to 4.1% year on year, allowing the Bank of Russia to lower the key interest rate to 8.5%. However, the production of oil is stagnating overall and increased marginally by a mere 0.5% between January and September 2017 compared with 2.4% in the same period of 2016.

Taking into account the stronger than expected third-quarter results, the baseline forecast for economic growth in 2017 was revised upward to between 2% and 2.2%.

As before, the ruble exchange rate against both the US dollar and the euro is influenced primarily by oil prices, changes in investors' demand for ruble assets, the intentions and actions of the U.S. Federal Reserve, as well as developments in connection with anti-Russia sanctions. The ruble trended negatively by the end of the third quarter and will continue to do so until the end of the year (62.1 rubles per US dollar in November and 63 rubles per US dollar in December), as well as in 2018 and 2019.

The euro exchange rate as at 30 September 2017 was 68.4483 rubles, which corresponds to an increase of 7.3% over the rate as at 1 January 2017 (63.8111 rubles per euro)

The average price of Urals oil in September was USD 54.2 per barrel compared with USD 51 per barrel in August. In June and July, Urals oil was trading at USD 45.7 and USD 47.9 per barrel, respectively.

Highlights for Q3/2017

On 21 September 2017, the Group acquired 100% of the shares and voting interests in Carbo Ceramics Cyprus Limited for a purchase price of USD 22 million. Carbo Ceramics Cyprus Limited is the sole owner of Carbo Ceramics Eurasia Limited Liability Company, which was renamed WellProp Limited Liability Company on 8 November 2017 and engages in the production of proppant used in hydraulic fracturing. WellProp Ltd. operates a proppant manufacturing facility in Kopeysk, Russia. The company's consolidation in the third quarter of 2017 will have a financial effect on Petro Welt Technologies AG from the fourth quarter of 2017. Petro Welt Technologies AG is currently reviewing its options to increase the volume of proppant manufacturing for both internal and external distribution. The deal makes a significant and advantageous contribution to Petro Welt Technologies' growth strategy.

Our fracturing subsidiary in Kazakhstan (PeWeTe Kazakhstan) registered spectacular growth in the first nine months of 2017. Compared with the same period of 2016, the number of jobs soared by 231%, and revenue jumped by 167%. This confirms that the Group's management adopted the right strategy.

Operating result

The Group generates sales revenues primarily in Russian rubles (about 2% is contributed by the Kazakh business).

Consolidated revenues for the first nine months of the year were EUR 263.1 million, up by 15.3% compared with the same prior-year period. Earnings before interest, tax, depreciation, and amortization (EBITDA) improved by 5.0% to EUR 68.9 million. Earnings before interest and tax (EBIT) increased to EUR 33.9 million.

The consolidated cost of sales in euros climbed by 16.9% from EUR 181.6 million to EUR 212.2 million during the period under review, correlating to the increase in revenue. The cost increase is also attributable to the rise in the number of jobs to 4,257, which is a record in the hydraulic fracturing industry and corresponds to an increase of 11.1% from 3,832 jobs in the same period of the previous year.

Interest income in the first nine months of 2017 rose to EUR 6.8 million (Q1–Q3/2016: EUR 3.9 million) due to the ongoing improvement in placement of free cash.

The 46.1% increase in financial expenses during the reporting period stems from a significant rise in exchange rate losses. These losses were fully offset by increased financial income.

The profit before tax climbed by 5% to EUR 36.0 million in the first nine months of 2017, compared with EUR 34.3 million in the same prior-year period. The net profit in euros rose strongly by 5.5% to EUR 29.4 million (Q1–Q3/2016: EUR 27.9 million).

The EBITDA margin decreased slightly to 26.2% during the period under review, compared with 28.7% in the prior-year period. At about 20%, the gross profit margin for the first nine months of 2017 remained at the same level as in 2016. In the third quarter of 2017, the gross profit margin grew to 25.2% compared with 22.4% in the third quarter of 2016. The negative trend in the change in working capital and the increase in income tax paid have led to a reduction in the cash flow from operating activities by 3.1% to EUR 46.5 million (Q1–Q3/2016: EUR 48.0 million). The managerial cash position, which is calculated as the sum of cash and cash equivalents and bank deposits, increased from EUR 113.7 million in the previous period to EUR 122.4 million as at 30 September 2017.

Balance sheet

As at 30 September 2017, total assets grew by 1.3% to EUR 426.5 million compared with the end of 2016. The increase in current assets comprising the improved managerial cash position and the growth in trade receivables were the two most significant contributors to this development. Equity increased by 3.3% to EUR 241.1 million at the end of the reporting period. As a result, the equity ratio also rose, reaching a level of 56.5% as at the 30 September 2017 reporting date compared with 55.5% as at 31 December 2016.

Outlook

The uncertain global economic and political environment (e.g. the rise of populism, high emerging-market indebtedness, the risk of the EU disintegrating) is likely to result in higher financial market volatility this year.

2017 is expected to be another challenging and disruptive year for the oil field services (OFS) industry. In addition, industry profitability remains under pressure from the strict financial and investment behavior of oil companies and the volatility of oil prices, both of which continue unabated. The increased costs resulting from oil majors having to move to more challenging and politically riskier parts of the world is another challenge. Higher employment costs, the increasing complexity of projects, and expanding regulatory requirements are contributing significantly to the rise in overall costs. In order to continue growing, it is vital for OFS operators to maintain sufficient business volumes, ensure efficient and innovative operations, and maintain a strong financial performance.

Our outlook is based on the expectation that there will be no significant deviations from the following underlying assumptions:

— Continuation of the global economic growth
— No major disruptions of capital markets
— An average USD/EUR exchange rate of 1.15
— An oil price of USD 55 per barrel
— A USD/RUB exchange rate of up to 62 on average

The management anticipates that sales revenues will be approx. EUR 335–EUR 345 million in 2017 and expects to maintain EBIT margin in the range of 10%–12%. In turn, this could enable the Company to maintain key indicators of profitability in 2017. This forecast does not take into account potential external economic shocks or force majeure.

Vienna, 21 November 2017,
Board of Management

Yury Semenov
Chief Executive Officer, CEO

Valeriy Inyushin
Chief Financial Officer, CFO

Consolidated Balance Sheet as at 30 September 2017

in EUR thousand	Notes	09/30/2017	12/31/2016
Assets			
Non-current assets		**148,275**	**170,124**
Property, plant and equipment	2	144,858	167,656
Intangible assets	2	2,530	35
Other assets		66	540
Deferred tax assets	6	821	1,893
Current assets		**278,177**	**250,651**
Inventories	3	41,386	36,015
Trade receivables	4	107,596	83,707
Bank deposits		729	10,695
Other receivables	4	4,598	15,901
Tax receivables	4	2,223	1,369
Cash and cash equivalents		121,645	102,964
Balance sheet total		**426,452**	**420,775**
Equity and liabilities			
Equity		**241,062**	**233,333**
Share capital	5	48,850	48,850
Capital reserve		111,987	111,987
Retained earnings		250,290	220,874
Remeasurement of defined benefit plans		215	215
Currency translation reserve		(170,280)	(148,593)
Non-current liabilities		**107,478**	**109,297**
Non-current financial liabilities to related parties	7, 12	100,000	100,000
Deferred tax liabilities	6	6,425	8,244
Employee benefits		1,053	1,053
Current liabilities		**77,912**	**78,145**
Current financial liabilities to related parties	8	11,571	8,709
Trade payables	8	40,215	37,764
Other liabilities	8	23,087	26,792
Advance payments received	8	8	93
Income tax payables	8	3,031	4,787
Balance sheet total		**426,452**	**420,775**

Condensed consolidated Income Statement for the three and nine months ended 30 September 2017

in EUR thousand	Notes	Q3 2017	Q3 2016	Q1–Q3 2017	Q1–Q3 2016
Sales revenues		87,357	87,366	263,081	228,214
Cost of sales	9	(65,337)	(67,809)	(212,196)	(181,571)
Gross profit		**22,020**	**19,557**	**50,885**	**46,643**
Administrative expenses		(4,291)	(4,541)	(15,640)	(13,063)
Other operating income		533	297	1,419	823
Other operating expenses		(1,004)	(261)	(2,750)	(694)
Operating result		**17,258**	**15,052**	**33,914**	**33,709**
Finance income		2,277	1,604	6,808	3,883
Finance costs		(2,720)	(984)	(4,769)	(3,264)
Financial result		**(443)**	**620**	**2,039**	**619**
Profit before tax		**16,815**	**15,672**	**35,953**	**34,328**
Income tax	6	(4,121)	(2,701)	(6,408)	(6,362)
Profit after tax from continuing operations		**12,694**	**12,971**	**29,545**	**27,966**
Loss before tax from discontinued operation		(9)	(5)	(129)	(80)
Profit after tax		**12,685**	**12,966**	**29,416**	**27,886**
Basic earnings per share in EUR	10	0.26	0.27	0.60	0.57
Diluted earnings per share in EUR	10	0.26	0.27	0.60	0.57

Consolidated Statement of Comprehensive income for the three and nine months ended 30 September 2017

in EUR thousand	Notes	Q3 2017	Q3 2016	Q1–Q3 2017	Q1–Q3 2016
Profit		12,685	12,966	29,416	27,886
Items that may be reclassified to profit or loss:					
Foreign currency translation differences for foreign operations:					
Functional currency	1	(3,091)	551	(13,071)	10,480
Net investments	1	(1,542)	1,330	(10,820)	21,394
Income tax effect related to net investments		1,328	(346)	2,204	(1,431)
Total other comprehensive income		(3,305)	1,535	(21,687)	30,443
Total comprehensive income		**9,380**	**14,501**	**7,729**	**58,329**

Consolidated Statement of Changes in Equity for the nine months ended 30 September 2017

in EUR thousand	Share capital	Capital reserve	Retained earnings	Remeasurement of defined benefit plans	Currency translation reserve		Total equity
					Functional currency	Net investment	
As at 1 January 2016	48,850	111,987	195,375	153	(89,084)	(121,806)	145,475
Profit after tax	-	-	27,886	-	-	-	27,886
Currency translation differences:							
Currency translation differences	-	-	-	-	10,480	-	10,480
Net investments, net of related tax	-	-	-	-	-	19,963	19,963
Total comprehensive income	**-**	**-**	**27,886**	**-**	**10,480**	**19,963**	**58,329**
As at 30 September 2016	**48,850**	**111,987**	**223,261**	**153**	**(78,604)**	**(101,843)**	**203,804**
Balance at 1 January 2017	48,850	111,987	220,874	215	(63,365)	(85,228)	233,333
Profit after tax	-	-	29,416	-	-	-	29,416
Currency translation differences:							
Currency translation differences	-	-	-	-	(13,071)	-	(13,071)
Net investments, net of related tax	-	-	-	-	-	(8,616)	(8,616)
Total comprehensive income			**29,416**	**-**	**(13,071)**	**(8,616)**	**7,729**
Balance at 30 September 2017	**48,850**	**111,987**	**250,290**	**215**	**(76,436)**	**(93,844)**	**241,062**

Consolidated Cash Flow Statement for the nine months ended 30 September 2017

in EUR thousand	Notes	Q1–Q3 2017	Q1–Q3 2016
Profit before tax		35,824	**34,328**
Depreciation and amortization	2	34,991	31,888
Gain on the disposal of fixed assets		(185)	(284)
Foreign exchange loss		1,932	290
Net finance income		(3,971)	(909)
Income taxes paid		(7,571)	(5,989)
Change in Working Capital		**(14,505)**	**(11,302)**
Change in inventories		(1,725)	(7,700)
Change in trade and other receivables		(16,567)	(12,353)
Change in trade and other liabilities		3,787	8,751
Cash flows from operating activities		**46,515**	**48,022**
Purchase of property, plant and equipment		(20,985)	(10,547)
Proceeds from sale of equipment		1,718	288
Addition to the cash deposits		(10,936)	(105,014)
Withdrawal of cash deposits		20,692	88,325
Interest received		6,768	3,453
Interest received		(18,156)	(2,006)
Cash flows used in investing activities		**(20,899)**	**(25,501)**
Cash flows used in financing activities		**-**	**-**
Effect of exchange rate changes on cash and cash equivalents		(6,935)	4,131
Net change in cash and cash equivalents		18,681	26,652
Cash and cash equivalents at 01 January		102,964	28,465
Cash and cash equivalents at 30 September		**121,645**	**55,117**
Of which: cash flows from discontinued operation			
Cash flows from operating activities		(130)	(76)

Notes to the condensed consolidated interim financial statements

Accounting in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU

The condensed consolidated interim financial statements, which comprise Petro Welt Technologies AG (the "Company") and its subsidiaries (together with the Company referred to as the "Group") as at and for the three and nine months ended 30 September 2017 were prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union (EU) and as applicable for interim financial reporting.

In accordance with IAS 34 the condensed consolidated interim financial statements have been prepared on a condensed scope and, therefore, should be read in connection with the most recent consolidated financial statements prepared as at 31 December 2016.

Accounting policies

The accounting pronouncements required to be applied for the first time in financial year 2017 have no impact on the presentation of Group's assets, finances and earnings situation. A breakdown of these accounting pronouncements is provided in the notes to the consolidated financial statements for the year ended 31 December 2016.

The accounting principles and practices as applied in the Group condensed consolidated interim financial statements correspond to those pertaining to the annual consolidated financial statements for the year ended 31 December 2016.

The Group's condensed consolidated interim financial statements have been prepared in EUR. All figures are indicated in TEUR, except as stated otherwise. When indicating amounts in TEUR, rounding differences may arise.

The Group condensed consolidated interim financial statements are published in German and English language. The German version of the condensed consolidated interim financial statements prevails.

Scope of consolidation

The scope of consolidation is unchanged in comparison to the balance sheet date 31 December 2016 except for the below.

On 21 September 2017, the Group acquired 100% of the shares and voting interests in Carbo Ceramics Cyprus Limited. Carbo Ceramics Cyprus Limited is the sole owner of Carbo Ceramics Eurasia Limited Liability Company (was renamed to WellProp Limited Liability Company on 8 November 2017) engaged in production of proppant used in the hydraulic fracturing.

During the period from 21 September 2017 till 30 September 2017 WellProp LLC contributed revenue of TEUR 623 and net loss of TEUR 17 to the Group's results. If the acquisition had occurred on 1 January 2017, management estimates that consolidated revenue would have been TEUR 275,161 and consolidated net profit for the period would have been TEUR 30,565. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017.

Total consideration transferred amounted to USD 22,000,000 (EUR 18,330,278 converted into Euro at the exchange rate 1.2002 on the date of acquisition). The Group incurred acquisition-related costs of TEUR 150 relating to external consulting fees. These costs have been included in administrative expenses in the condensed consolidated statement of profit or loss. The following table summarises the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

in EUR thousand	Notes	
Property, plant and equipment	2	3,922
Intangible assets	2	2,500
Inventories		7,420
Trade and other receivables		5,353
Cash and cash equivalents		452
Trade and other payables		(618)
Deferred tax liabilities		(407)
Total identifiable net assets		18,622

As at the date of publication of the condensed consolidated interim financial statements as at 30 September 2017 the Group's management had no data on the fair value of the identifiable net assets prepared by an independent appraiser, so the value of the identifiable net assets are based on provisional estimates, pending completion of an independent valuation.

1. Currency translation

In the interim financial statements of the consolidated companies, transactions in foreign currency are translated into the functional currency (which is usually the local currency of the country of domicile) at the respective rates valid during the performance months on the basis of the official exchange rates of the Russian and European Central banks. The interim financial statements of the Russian companies are translated into the presentation currency (EUR) using the official exchange rates of the Russian Federation.

The relevant exchange rates used for foreign currency translation in relation to the EUR are as follows:

Currency (1 EUR=)	Closing rate as at 09/30/2017	Closing rate as at 12/31/2016	Average rate Q1–Q3 2017	Average rate Q1–Q3 2016
Russian Ruble (RUB)	68.4483	63.8111	64.9319	76.2805
Kazakhstan tenge (KZT)	402.64	352.42	360.04	383.85
US-Dollar (USD)	1.1798	1.0520	1.1131	1.1158

The relevant exchange rates used for foreign currency translation in relation to the U.S. dollar are as follows:

Currency (1 USD=)	Closing rate as at 09/30/2017	Closing rate as at 12/31/2016	Average rate Q1–Q3 2017	Average rate Q1–Q3 2016
Russian Ruble (RUB)	58.0169	60.6569	58.3344	68.3667
Kazakhstan tenge (KZT)	341.19	333.29	323.27	345.26

2. Non-current assets

Changes in selected non-current assets between 1 January and 30 September are as follows:

in EUR thousand	Carrying amount 01/01/2017	Additions	Acquisition of subsidiary	Disposals	Currency translation	Depre-ciation and amor-tization	Carrying amount 09/30/2017
Intangible assets	35	27	2,500	-	(14)	(18)	2,530
Property, plant and equipment	167,656	19,670	3,922	(1,052)	(10,365)	(34,973)	144,858

in EUR thousand	Carrying amount 01/01/2016	Additions	Acquisition of subsidiary	Disposals	Currency translation	Depre-ciation and amor-tization	Carrying amount 09/30/2016
Intangible assets	97	-	-	-	(31)	(44)	22
Property, plant and equipment	154,469	9,770	71	(168)	17,418	(31,844)	149,716

As at 30 September 2017 Property, plant and equipment includes advances given for property, plant and equipment in the amount of TEUR 3,675 (31 December 2016: TEUR 3,196).

3. Inventories

in EUR thousand	09/30/2017	12/31/2016
Spare parts and other materials	30,599	29,682
Raw material	7,540	4,188
Fuel and lubricants	2,016	2,145
Finished goods	1,231	-
	41,386	**36,015**

4. Current receivables

in EUR thousand	09/30/2017	12/31/2016
Trade receivables	107,596	83,707
Other current assets	4,598	15,901
Tax assets	2,223	1,369
	114,417	**100,977**

5. Equity

Share capital as at 30 September 2017 amounted to TEUR 48,850 (31 December 2016: TEUR 48,850).

6. Deferred tax

in EUR thousand	Q1–Q3 2017	Q1–Q3 2016
Current tax expenses	6,341	5,760
Deferred tax expense (income) relating to the origination and reversal of temporary differences	1,299	388
Withholding tax	28	140
Income taxes from previous years	(1,260)	74
Current and deferred tax expenses	**6,408**	**6,362**

Deferred taxes relate to the following items:

	09/30/2017		12/31/2016	
in EUR thousand	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Tax loss carryforwards	9,230	-	7,869	-
Deferred expenses/liabilities	423	(2,512)	431	(1,781)
Fixed assets/depreciation	-	(12,611)	-	(10,005)
Other	2,110	(2,244)	2,012	(4,877)
Netting	(10,942)	10,942	(8,419)	8,419
	821	**(6,425)**	**1,893**	**(8,244)**

7. Non-current liabilities

As at 30 September 2017 non-current liabilities include financial liabilities against Petro Welt Holding (Cyprus) Ltd. amounted to TEUR 100,000 (31 December 2016: TEUR 100,000).

8. Current liabilities

in EUR thousand	09/30/2017	12/31/2016
Financial liabilities to related parties	11,571	8,709
Trade payables	40,215	37,746
Other liabilities	23,087	26,792
Advance payments received	8	93
Income tax payables	3,031	4,787
	77,912	**78,145**

The financial liabilities against related parties comprise interest expenses accrued on the loans (see notes 7 and 12).

9. Cost of sales

in EUR thousand	Q3 2017	Q3 2016	Q1–Q3 2017	Q1–Q3 2016
Raw materials	24,286	26,579	74,867	70,564
Direct costs	14,405	15,600	52,632	38,956
Depreciation	10,518	11,073	35,022	31,719
Wages and salaries	10,394	10,905	33,333	29,123
Social tax	3,497	3,168	11,740	8,931
Other costs	2,237	484	4,602	2,278
	65,337	**67,809**	**212,196**	**181,571**

10. Earnings per share

Earnings per share are calculated in accordance with IAS 33 by dividing the net profit for the Group by the average number of shares. There is no dilutive effect.

in EUR thousand		Q3 2017	Q3 2016	Q1–Q3 2017	Q1–Q3 2016
Common stock	thousand	48,850	48,850	48,850	48,850
Profit	in EUR thousand	12,694	12,971	29,545	27,966
Earnings by share	EUR	0.26	0.27	0.60	0.57

The financial performance of the discontinued operation affects the earnings per share insignificantly.

11. Segment Reporting

For management purposes the Group is organized into business units based on their services, and has the following reportable operating segments:

— well services - services for hydraulic fracturing (operated by OOO KATKoneft);
— drilling, sidetracking, integrated project management (IPM) – services for conventional drilling, sidetrack drilling (operated by OOO KAToil-Drilling and OOO KATOBNEFT).

Management monitors operating results of its business units separately for the purpose of making decisions and performance assessment. Segment performance is evaluated based on financial information prepared in accordance to IFRS.

Transactions between the business segments are conducted on normal commercial terms and conditions. Reconciliation includes amounts related to corporate activities which are not allocated to operating segments and the reconciliation of the total reportable segments amounts to the financial statements.

Segment information as at and for the nine months ended 30 September 2017 and 30 September 2016 is presented below.

Reporting segments Q1–Q3 2017

in EUR thousand	Well Services	Drilling Sidetracking IPM	Total segments	Reconciliation	Group
External sales	137,749	125,332	263,081	-	263,081
Group sales	1,043	454	1,497	(1,497)	-
Total sales	**138,792**	**125,786**	**264,578**	**(1,497)**	**263,081**
Operating result	**26,171**	**10,963**	**37,134**	**(3,220)**	**33,914**
Interest income and expenses					3,971
Other financial result					(1,932)
Profit before tax					**35,953**
Income tax					(6,408)
Profit after tax					**29,545**

Reporting segments Q1–Q3 2016

in EUR thousand	Well Services	Drilling Sidetracking IPM	Total segments	Recon-ciliation	Group
External sales	127,167	101,041	228,208	6	228,214
Group sales	888	471	1,359	(1,359)	-
Total sales	**128,055**	**101,512**	**229,567**	**(1,353)**	**228,214**
Operating result	**25,306**	**12,214**	**37,520**	**(3,811)**	**33,709**
Interest income and expenses					909
Other financial result					(290)
Profit before tax					**34,328**
Income tax					(6,362)
Profit after tax					**27,966**

12. Related parties

As at 30 September 2017 the non-current financial liabilities against Petro Welt Holding (Cyprus) Ltd. amounted to TEUR 100,000 (31 December 2016: TEUR 100,000). In the period 1 January to 30 September 2017, the interest expenses resulting from these financial liabilities amounted to TEUR 2,862 (in the period 1 January to 30 September 2016: TEUR 2,978). This corresponds to an average interest rate of 3.8% (in the period 1 January to 30 September 2016: 3.9%).

The Group has conducted the following transactions with related parties:

	Transaction value		Outstanding balance		
in EUR thousand	Q1–Q3 2017	Q1–Q3 2016	09/30/2017	12/31/2016	Transaction description
Parent company:					
Fairtune East Ltd., Nicosia	-	2	-	-	Rental fee
Subsidiaries:					
C.A.T. GmbH Consulting Agency Trade (Cyprus) Ltd., Nikosia	704	731	274	177	Consulting
Fairtune East Ltd., Moscow	305	306	38	41	Rental fee

Remuneration of key management personnel was as follows:

in EUR thousand	Q1–Q3 2017	Q1–Q3 2016
Management Board remuneration	863	410

Second level management remuneration

in EUR thousand	Q1–Q3 2017	Q1–Q3 2016
Second level management salaries	609	482

Additional information on transactions and balances with related parties is disclosed in notes 7 and 8.

13. Financial Instruments

Carrying amounts of Financial Instruments were as follows:

Financial assets measured at amortised costs

in EUR thousand	09/30/2017	12/31/2016
Cash and cash equivalents	121,645	102,964
Bank deposits	729	10,695
Trade receivables	107,596	83,707
Receivables from related parties	362	362
Other receivables	2,735	2,046
	233,067	**199,774**

Financial liabilities measured at amortised costs

in EUR thousand	09/30/2017	12/31/2016
Long term debts	100,000	100,000
Short term debts	11,571	8,709
Trade payables	40,215	37,764
Other liabilities	3,791	3,142
	155,577	**149,615**

Group's financial instruments carrying amounts correspond to the fair value. There were no financial instruments measured at fair value as at the reporting date.

14. Litigations and claims

On 10 April 2015 the Company filed a statement of facts at the Central Public Prosecutor's Office for the Prosecution of Economic Crimes and Corruption in Vienna. The statement of facts refers to circumstances, which set out reasons substantiating reasonable suspicion of breach of trust that came to the attention of the new Management Board. With filing dated 9 September 2015 the Company extended its private claim to TEUR 27,500.

The criminal complaint relates to transactions in connection with a procurement system, which was established at the Group in recent years. In purchasing fixed assets for business operations of subsidiaries of the Company, companies not belonging to the Group were used as intermediaries. Since the investigations are still at an early stage, further developments and outcome, including the actual loss of the Company in this regard, are not yet possible to determine reliably.

The Company filed against former members of Management Board claim amounting to TEUR 1,540 due to the unlawful and premature payment of compensation. The Company is currently assessing potential claims regarding the activities of its subsidiary Petro Welt GEODATA GmbH, which generated significant operational losses in the past. For that reason, the Company filed a criminal complaint to the Public Prosecutor's Office in Vienna on 17 November 2015 within the pending criminal proceedings. It is uncertain at this stage if at all and in which amount these losses are in connection with potential criminal activities.

These questions will be subject to the investigations of the Public Prosecutor.

15. Events after the reporting date

No material events occurred after the balance sheet date.

Vienna, 21 November 2017,
Board of Management

Yury Semenov
Chief Executive Officer, CEO

Valeriy Inyushin
Chief Financial Officer, CFO

Legal notice

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