Carsharing Russia LLC, Anytime LLC and SMM LLC

Combined and consolidated Financial statements
for the year ended December 31, 2020
and independent auditor's report

CARSHARING RUSSIA LLC, ANYTIME LLC AND SMM LLC

COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Delimobil Holding S.A.:

Opinion on the Financial Statements

We have audited the accompanying combined and consolidated statements of financial position of Carsharing Russia LLC, Anytime LLC and SMM LLC (together the "Company") as at December 31, 2020 and 2019, and January 1, 2019, the related combined and consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and January 1, 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company's management.
Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

AO Deloitte & Touche CIS

Moscow, Russia
July 19, 2021

We have served as the Company's auditor since 2021.

CARSHARING RUSSIA LLC, ANYTIME LLC AND SMM LLC

COMBINED AND CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(in millions of Russian Rubles, unless otherwise stated)

	Note	Year ended December 31, 2020	2019
Revenue	7	6,449	5,012
Cost of revenue	8	(6,377)	(5,488)
Gross profit/(loss)		**72**	**(476)**
Sales and marketing expenses	9	(436)	(445)
General and administrative expenses	10	(1,100)	(983)
Other income	11	716	176
Other expenses	11	(178)	(425)
Finance income	12	15	-
Finance costs	12	(2,564)	(1,997)
Loss before income tax		**(3,475)**	**(4,150)**
Income tax benefit	13	419	577
Loss for the period		**(3,056)**	**(3,573)**
Loss attributable to equity holders of the Companies		(3,067)	(3,573)
Profit attributable to non-controlling interests	23	11	-
Other comprehensive income			
Amounts that may not be reclassified in the future to profit or loss			
Gain on revaluation of right-of-use assets and property, plant and equipment, net of income tax		1,356	64
Total comprehensive loss for the period		**(1,700)**	**(3,509)**
Total comprehensive loss attributable to equity holders of the Companies		(1,711)	(3,509)
Total comprehensive profit attributable to non-controlling interests	23	11	-

The accompanying notes are an integral part of these combined and consolidated financial statements.

On behalf of the Management:

Elena Bekhtina
Chief Executive Officer

Natalia Borisova
Chief Financial Officer

July 19, 2021

CARSHARING RUSSIA LLC, ANYTIME LLC AND SMM LLC

COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in millions of Russian Rubles, unless otherwise stated)

	Note	December 31, 2020	December 31, 2019	January 1, 2019
Assets				
Non-current assets				
Property, plant and equipment	14	206	134	41
Right-of-use assets	15	10,687	6,852	3,889
Intangible assets	16	279	207	33
Goodwill	17	39	-	-
Non-current trade and other receivables	20	5	4	-
Deferred tax assets	13	967	867	299
Other non-current assets	18	8	110	-
Total non-current assets		**12,191**	**8,174**	**4,262**
Current assets				
Inventories	19	132	74	46
Trade and other receivables	20	95	67	785
Income tax prepayment		17	11	1
Cash and cash equivalents	21	117	102	168
Other current assets	18	1,112	1,132	340
Total current assets		**1,473**	**1,386**	**1,340**
Total assets		**13,664**	**9,560**	**5,602**
Equity and liabilities				
Equity				
Companies' equity holders net investment	22	(3,704)	(723)	(819)
Revaluation reserve		1,417	64	-
Equity attributable to equity holders of the Companies		**(2,287)**	**(659)**	**(819)**
Non-controlling interests	23	(7)	-	-
Total equity		**(2,294)**	**(659)**	**(819)**
Liabilities				
Non-current liabilities				
Borrowings	24	18	99	1,288
Lease liabilities	24	5,021	5,445	3,388
Total non-current liabilities		**5,039**	**5,544**	**4,676**
Current liabilities				
Borrowings	24	6,175	2,022	396
Lease liabilities	24	3,514	1,563	924
Trade and other payables	25	856	838	295
Income tax payable		8	-	11
Provisions	26	45	56	6
Other current liabilities	27	308	182	113
Contract liabilities		13	14	-
Total current liabilities		**10,919**	**4,675**	**1,745**
Total liabilities		**15,958**	**10,219**	**6,421**
Total equity and liabilities		**13,664**	**9,560**	**5,602**

The accompanying notes are an integral part of these combined and consolidated financial statements.

COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in millions of Russian Rubles, unless otherwise stated)

	Note	Companies' equity holders net investment	Revaluation reserve	Equity attributable to equity holders of the Companies	Non-controlling interests	Total equity
Balance at January 1, 2019		**(819)**	**-**	**(819)**	-	**(819)**
Loss for the period		(3,573)	**-**	**(3,573)**	-	**(3,573)**
Gain on revaluation of right-of-use assets and property, plant and equipment, net of income tax		-	64	**64**	-	**64**
Total comprehensive loss for the period		**(3,573)**	**64**	**(3,509)**	-	**(3,509)**
Capital contribution	22	3,654	-	**3,654**	-	**3,654**
Borrowings received on non-market conditions		15	-	**15**	-	**15**
Balance at December 31, 2019		**(723)**	**64**	**(659)**	**-**	**(659)**
Loss for the period		(3,067)	**-**	**(3,067)**	11	**(3,056)**
Gain on revaluation of right-of-use assets and property, plant and equipment, net of income tax		**-**	1,356	**1,356**	-	**1,356**
Total comprehensive loss for the period		**(3,067)**	**1,356**	**(1,711)**	**11**	**(1,700)**
Transfer of a revaluation reserve directly to accumulated loss		3	(3)	**-**	-	**-**
Capital contribution	22	72	-	**72**	-	**72**
Non-controlling interests arising on a business combination	23	**-**	-	**-**	(18)	**(18)**
Borrowings received on non-market conditions		11	-	**11**	-	**11**
Balance at December 31, 2020		**(3,704)**	**1,417**	**(2,287)**	**(7)**	**(2,294)**

The accompanying notes are an integral part of these combined and consolidated financial statements.

CARSHARING RUSSIA LLC, ANYTIME LLC AND SMM LLC

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions of Russian Rubles, unless otherwise stated)

		Year ended December 31,	
	Note	**2020**	**2019**
Cash flows from operating activities			
Loss for the period		**(3,056)**	**(3,573)**
Adjustments for:			
Income tax benefit		(419)	(577)
Depreciation of property, plant and equipment and right-of-use assets	8, 10	951	735
(Gain)/loss on disposal of property, plant and equipment, net	11	(2)	9
(Gain)/loss on impairment of property, plant and equipment		(9)	12
(Gain)/loss on impairment of right-of-use assets		(244)	361
Amortization of intangible assets	8, 10	68	12
Write-down of inventories to net releasable value	11	4	2
Write-off of receivables	11	17	4
Provision for other current assets	11	2	15
Expected credit losses of trade receivables	10	72	71
Borrowings interest expense	12	705	543
Expenses related to the lease modifications	12	602	305
Lease interest expense	12	1,257	1,063
Interest income	12	(3)	-
(Gain)/loss on foreign exchange differences, net		(12)	34
Changes in working capital			
Increase in trade and other receivables		(66)	(108)
(Decrease)/increase in trade and other payables		(134)	521
Increase in inventories		(48)	(26)
Decrease/(increase) in other non-current assets		102	(110)
Increase in other current liabilities		114	69
Decrease/(increase) in other current assets		26	(818)
(Decrease)/increase in provision		(11)	50
(Decrease)/increase in contract liabilities		(1)	14
Cash used in operations		**(85)**	**(1,392)**
Income tax paid		(21)	(26)
Net cash flows used in operating activities		**(106)**	**(1,418)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(72)	(102)
Purchase of intangible assets		(141)	(181)
Prepaid lease rentals		(200)	(452)
Acquisition of a subsidiary, net of cash acquired		13	-
Sale of a subsidiary		-	750
Proceeds on disposal of property, plant and equipment		9	1
Interest received		3	-
Net cash flows (used in)/generated from investing activities		**(388)**	**16**
Cash flows from financing activities			
Borrowings received		5,090	5,624
Borrowings repaid		(1,642)	(1,707)
Lease payments		(1,693)	(1,140)
Interest paid		(1,269)	(1,420)
Dividends paid to non-controlling interests		(3)	-
Additional paid-in capital	22	-	7
Net cash generated from financing activities		**483**	**1,364**
Effects of exchange rate changes on the balance of cash held in foreign currencies		26	(28)
Net decrease in cash and cash equivalents		(11)	(38)
Cash and cash equivalents at the beginning of the year		**102**	**168**
Cash and cash equivalents at the end of the year		**117**	**102**

The accompanying notes are an integral part of these combined and consolidated financial statements.

1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

Delimobil Holding S.A. is a public limited liability company (société anonyme) which was organized and incorporated under the laws of Luxembourg on January 18, 2021. Its registered office is located at 10, rue C.M. Spoo, L-2546 Luxembourg, Grand Duchy of Luxembourg. Its ultimate controlling party is Mr. Vincenzo Trani.

As described in Note 34, on March 31, 2021, Delimobil Holding S.A. issued new shares in exchange for the 100% equity interest in three Russian registered limited liability companies: Carsharing Russia LLC, Anytime LLC, SMM LLC (referred to as the "Companies") thus becoming a new parent entity of the group (the "Group"). The ultimate controlling party of the Companies prior to March 31, 2021 and throughout the years ended December 31, 2020 and 2019 was Mr. Vincenzo Trani.

The purpose of these combined and consolidated financial statements is to present historical financial information of the Group's business prior to creation of Delimobil Holding S.A. as the new reporting entity for the Group. The basis of preparation of these combined and consolidated financial statements is further described in Note 2.

The Group provides mobility solutions in the Russian Federation and currently has three lines of activity: car sharing service — it's core activity - which is operated under the Delimobil brand in Moscow and seven other Russian cities at the end of 2020; longer-term rental service, which is operated under the Anytime Prime brand; and delivery service, which leverages the Group's car sharing fleet to deliver food and other customer products on behalf of the Group's commercial clients. Supporting these activities is Smart Mobility Management ("SMM"), a fleet management unit, which administers repairs and provides maintenance services to the Group's vehicles.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The combined and consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) for the first time (see Note 5 for further details).

The combined and consolidated financial statements have been prepared on a historical cost basis, except for motor vehicles (classified as property, plant and equipment and right-of-use assets) that are measured at fair value.

Going concern

These financial statements have been prepared on a going concern basis which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business.

For the year ended December 31, 2020, the Group incurred a loss of RUB 1,700 million (2019: RUB 3,509 million) and generated negative operating cash flow of RUB 106 million (2019: RUB 1,418 million). As at December 31, 2020, the Group had net liabilities of RUB (2,294) million (2019: RUB (659) million). As at December 31, 2020, the Group had a working capital deficit (defined as total current assets less total current liabilities) of RUB 9,446 million (December 31, 2019: a deficit of RUB 3,289 million).

The Group is in the development stage as at December 31, 2020. Successful completion of the Group's development program and, ultimately, the attainment of profitable operations is dependent upon future events, including maintaining adequate financing to fulfil its development activities and achieving a level of sales adequate to support the Group's cost structure. To finance its development, the Group relies on funds provided by owners and leasing companies operating on the Russian market.

The following matters have been considered by management in determining the appropriateness of the going concern basis of preparation in these combined and consolidated financial statements:

COVID-19

Early in the year ended December 31, 2020, the world saw an outbreak of a novel coronavirus (COVID-19), and in March, 2020, the World Health Organization (WHO) declared it a pandemic. COVID-19 prevention efforts taken by many countries lead to significant operating straits for many businesses and have a significant impact on international financial markets. The rapid spread of COVID-19 has significantly affected many businesses operating in various industries, including, but not limited to, disruption of operations due to production interruptions/shutdowns, supply chain disruptions, staff quarantine, decrease in demand and funding issues. During April-June, 2020 the Russian Government introduced certain measures to curb spread of disease, including lock-down in Moscow, a nation-wide period of non-working days as well as a temporary ban on car-sharing activities.

Despite significant relaxation of restrictive measures on the territory of Russian Federation at the time these financial statements were approved, there are risks that COVID-19 may also affect the Group more seriously due to its negative impact on the global economy and major financial markets. The effect of COVID-19 on the Group’s operations is largely dependent on the duration of the pandemic and its impact on the global and Russian economies and additional capital may need to be raised or additional indebtedness incurred to continue to fund the operations and other strategic initiatives.

Measures taken by management

In the year ended December 31, 2020, the Group promptly responded to the changing business environment. Management undertook a number of measures aimed at optimizing costs and increasing financial stability in the current situation, in particular, it restructured the terms of repayment of certain lease liabilities and launched food and customer products delivery to the general public (delivery services) in a number of cities of operation during the nearly complete suspension of the Group’s car sharing operations in all regions during April-June, 2020.

In addition to these measures, the Group received subsidies in the amount of 20% of the value of the motor vehicles acquired by the Group under financial lease agreements with leasing companies from the Russian Ministry of Industry and Trade as part of the Russian government support program for industries affected by COVID-19. Under this support program, the Group purchased 1,460 motor vehicles during the period October-November, 2020.

Financing

In order to reduce liquidity risks and ensure timely settlement of lease liabilities, the Group uses financing from related parties, constantly improves the efficiency of business processes, introduces new products, develops new lines of business (such as rental services to corporate clients and delivery services) and optimizes costs.

The Group's principal owners have confirmed their readiness to provide the necessary financial support required for maintaining the Group' operations for at least 12 months from the date of approval of these financial statements and that they do not have plans to liquidate the Group or significantly decrease its activities. In addition to similar transactions during the years ended December 31, 2020 and 2019, in January 2021, a capital contribution totalling RUB 2,000 million was received by the Group through conversion of principal amount of borrowings from related parties (Note 34).

In June, 2021, Delimobil Holding S.A. issued 12 million convertible preferred shares, all having a nominal value of EUR 0.01, and attracted RUB 4,396 million of investment for the Group (Note 34).

Based on the measures undertaken, as well as the availability of continuing financial support from the owners, management has, at the time of approving these financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Group continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of combination

These combined and consolidated financial statements comprise all entities, which were under common control during the periods presented and which became subsidiaries of Delimobil Holding S.A. following the Group reorganisation in March 2021.

IFRS provides no guidance for the preparation of combined financial statements, which are therefore subject to IAS 8.12. This paragraph requires consideration of the most recent pronouncements of other standard-setting bodies, other financial reporting requirements and recognised industry practices. In the combined and consolidated financial statements of the Group, the predecessor accounting approach was applied in accordance with the common practice for the accounting for business combinations under common control in combined financial statements.

The combined and consolidated financial statements have been prepared based on the following principles:

- The assets, liabilities and the items of profit or loss of the Companies have been aggregated. All transactions and balances between the Companies included in these combined and consolidated financial statements have been eliminated.
- As the combined and consolidated financial statements were prepared on a combined basis, the Group had no share capital structure for this period and as a result, equity attributable to the owners of the parent for this period is presented as Companies' equity holders net investment herein. Per share information is therefore also not presented.
- The revaluation reserve for each entity has been aggregated and separately presented within equity.
- The non-controlling interests throughout the periods presented are those that relate to the subsidiaries controlled by the Companies but which are not wholly owned by them.

During the year ended December 31, 2020, SMM LLC acquired control of CarShineRussia LLC, which was consolidated in these combined and consolidated financial statements on the basis of the principles discussed below.

Basis of consolidation

The combined and consolidated financial statements incorporate the financial statements of subsidiaries controlled by the Group.

Control is achieved when the Group:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affects its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies so as to obtain benefits. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 and IAS 19 respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below); and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognized as at that date.

Goodwill

Goodwill is initially recognized and measured as set out above.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(in millions of Russian Rubles, unless otherwise stated)

Functional and presentation currency

The Group's combined and consolidated financial statements are presented in the Russian Rubles ("RUB"). For each company, the Group determines the functional currency and items included in the financial statements of each company are measured using that functional currency. The functional currency of all of the Group companies is the Russian Rubles.

Transactions and balances in foreign currency

Transactions in foreign currencies are initially recorded by the Group's companies at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss. Foreign exchange gains and losses are presented in the combined and consolidated statements of profit or loss and comprehensive income within "Finance income" and "Finance cost" on a net basis.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

The Central Bank of the Russian Federation has introduced currency control regulations designed to promote the commercial utilization of the Russian Ruble. At the reporting date there were no significant restrictions in respect of conversion of Russian Rubles into other currencies. Nevertheless, the Russian Ruble continues to remain the currency which is not a freely convertible currency outside of the Russian Federation. Within the Russian Federation, official exchange rates are determined by the Central Bank of the Russian Federation.

The following exchange rates were applied in the preparation of these combined and consolidated financial statements:

	RUB/USD	RUB/EURO
January 1, 2019	69.4706	79.4605
December 31, 2019	61.9057	69.3406
December 31, 2020	73.8757	90.6824

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one company and a financial liability or equity instrument of another company.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Initial recognition and measurement

The financial assets of the Group consist of trade and other receivables, cash and cash equivalents. Financial assets are recognized when the Group has a contractual right to receive cash or another financial asset from another party. Purchases and sales of financial assets are generally recognized on a trade date basis.

Financial assets are initially recognized at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Transaction costs incurred for the purchase of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

Subsequent measurement is based on the allocation of the financial assets to the categories according to IFRS 9. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model in respect to these financial assets. The Group has applied the practical expedient in regard to Trade receivables that do not contain a significant financing component, therefore they are measured at the transaction price as disclosed in section Revenue recognition.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade and other receivables.

The Group currently has no financial assets that are classified as subsequently measured at amortized cost, fair value through OCI, and fair value through profit or loss.

Derecognition

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

The Group recognizes a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit losses experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime Expected credit losses that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

The Group's financial liabilities include trade and other payables, lease liabilities and borrowings. All financial liabilities are recognized initially either at fair value or at amortized costs less directly attributable transaction costs, where applicable.

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at amortized cost (borrowings, trade and other payables, lease liabilities).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes separated embedded derivatives and derivative financial instruments not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognized in the statements of profit or loss. Financial liabilities attributable to fair value through profit or loss measurement are designated at the initial date of recognition, and only if the specific criteria in IFRS 9 are satisfied.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost

Major financial liabilities of the Group including borrowings, trade and other payables and lease liabilities are attributable to this category. After initial recognition this type of financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortization is included as finance costs in the statements of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statements of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined and consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair value measurement of financial instruments

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Property, plant and equipment

Property, plant and equipment, except for motor vehicles, are accounted for and recognized at cost, less any accumulated depreciation and any accumulated impairment losses.

The Group applies revaluation model to motor vehicles, which are presented in the combined and consolidated financial statements at fair value effective on the date of revaluation. The carrying amount of motor vehicles is adjusted to the revalued amount with elimination of accumulated depreciation against the gross carrying amount of the asset.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity within the Revaluation reserve. The increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. The decrease is recognized in other comprehensive income to the extent of any credit balance existing in the Revaluation reserve in respect of that asset. The decrease is recognized in other comprehensive income reduces the amount accumulated in equity within the Revaluation reserve. Revaluation reserve is not adjusted for depreciation of revalued assets.

Acquisition costs or revalued amount of assets less their residual values are depreciated on a straight-line basis over the useful life of the underlying assets. Residual value is accounted only for motor vehicles and is based on the expected fair value of their disposal after 6 years of operation. The expected useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is based on the following useful lives, which are applied throughout the Group:

- Motor vehicles 5 to 6 years
- Machinery and equipment 2 to 15 years
- Office equipment 2 to 15 years
- Fixtures and fittings 2 to 10 years
- Other property, plant and equipment 2 to 10 years

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date of asset classification as held for sale (or included into a disposal group that is classified as held for sale) in accordance with IFRS 5 or the asset derecognition date.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statements of profit or loss and other comprehensive income as “other income” or “other expenses”. The revaluation reserve attributed to derecognized asset is transferred directly to accumulated loss.

Repairs and maintenance expenditure is charged to the statements of profit and loss as incurred as a cost of revenue.

At least as at each reporting date the Group assesses existence of indicators for impairment. If any such indicators identified, the Group estimates the recoverable amount of the assets.

Fair value measurement of non-financial assets

The Group measures non-financial assets such as Motor vehicles included in Property, plant and equipment and Right-of-use assets, at revalued amounts by reference to fair value at each balance sheet date.

Fair value of significant assets, such as motor vehicles, is conducted by an accredited external independent valuer through application of a valuation model recommended by the International Valuation Standards Committee.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Leases

The Group leases motor vehicles, office premises and equipment.

The Group assesses whether a contract is or contains a lease, at inception of the contract.
The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The Group uses recognition exemption specified in IFRS 16 “Leases” for short-term leases of office premises.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the combined and consolidated statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses except for motor vehicle leases. The Group applies revaluation model to motor vehicles described under Property, plant and equipment.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the combined and consolidated statements of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Intangible assets

Intangible assets of the Group consist of software licenses. The Group does not have intangible assets with indefinite useful lives.

Software licenses acquired are capitalised in the amount of cost of their acquisition and implementation.

Development expenditure, directly attributable to identifiable and unique software controlled by the Group, is recognized if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Amortization is charged on a straight-line basis over their estimated useful lives. Depreciation is based on the following useful lives, which apply uniformly throughout the Group:

- Software 2 to 3 years
- Internally developed software 2 to 10 years

Software with a useful life of one year or less are included in the line of the statements of financial position as other current assets.

At least as at each reporting date the Group assesses existence of indicators for impairment. If any such indicators identified, the Group estimates the recoverable amount of the intangible assets as the higher of value in use and fair value less costs to sell.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Taxation

The income tax benefit (expense) represents the sum of the tax currently payable and deferred tax.

Current tax

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

A provision is recognized for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority under the heading of the Income tax payables. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for motor vehicles that are measured using the fair value model, the revaluation or restatement of an asset are presumed to not affect taxable profit in the period of the revaluation or restatement and, consequently, the tax base of the asset is not adjusted. Nevertheless, the future recovery of the carrying amount will result in a taxable flow of economic benefits to the Group and the amount that will be deductible for tax purposes will differ from the amount of those economic benefits. The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability or asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventory is determined on the weighted average cost basis.

Provisions and accruals

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statements of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Group recognizes provision for car repairs to reflect its obligations to repair damaged cars under lease contracts. Provision is accrued at the management best estimate of the expenditure required to bring cars to operational condition after car accidents.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.
A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Revenue recognition

Revenue is recognized when the control of promised goods or services is transferred to the Group’s customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group identifies its contracts with customers and all performance obligations within those contracts. The Group then determines the transaction price and allocates the transaction price to the performance obligations within the Group's contracts with customers, recognizing revenue when, or as, the Group satisfies its performance obligations.

Discounts, bonuses and VAT-sales are deducted from the revenue recognized in the statements of profit or loss.

The Group’s principal revenue streams are disclosed below:

Revenue from car sharing services

The Group identifies a contract with customer as a contract for car sharing services according to the tariff chosen by the customer.

The Group believes, that during rental the customer simultaneously receives and consumes the benefits provided by the Group's performance and the Group recognizes revenue over time. When the customers complete a car sharing rent, payment for the services rendered is withdrawn from their bank card.

Revenue from long-term rent

Revenue from long-term rent is recognized over time with correspondence to the term of the respective rent. Advances paid by customers before the commencement of the car rent, which have not yet been offset with the Group`s right to receive payment occurred as the resulted of fulfilled performance obligation, are accounted as contract liabilities.

Revenue from delivery services

Delivery revenue consists from retailers’ commissions for courier services rendered by the Group. Commission is charged for each order delivered to a final customer of retailer and delivery operators who pays upon delivery of goods. Revenue from delivery services is recognized at a point in time when a customer’s order is completed.

Revenue from used motor vehicles sales

Used motor vehicles, especially those which operation in the Group`s business exceeds 6 years, can be sold to third parties. The revenue from sale of such motor vehicles are recognized at the date of title transfer and upon delivery of the motor vehicle to the customer.

Other incidental customer fees

Other incidental customer fees is comprised of income from settlement of accident claims and other incidental customer fees and related income.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Applying the Group's accounting policies, which are described in Note 2, requires certain subjective accounting estimates and assumptions to be made about the carrying amount of assets and liabilities, disclosure of contingent assets and liabilities, as well as assessed value of income and expenses recognized in the reporting period, that are not readily apparent from other sources. Estimates and underlying assumptions are formed on the basis of past experience, current and expected economic and other factors that are believed to be reasonable under the circumstances. The actual results may differ from these assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, even if the revision affects only the current period. If revisions to accounting estimates affect both current and subsequent periods, such revisions are recognized both in current and subsequent periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in financial statements:

The purchase option in the measurement of each lease liability

A lease liability includes the exercise price of purchase option if management is reasonably certain to exercise that option.

In assessing whether it is reasonably certain to exercise an option to extend a lease, management applies judgment and considers all relevant factors that create an economic incentive for it to exercise that option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

Considering existing terms of the Group's lease contracts management has concluded that they are reasonably certain to exercise purchase options because the exercise price is commensurate with the compensation that is required to be paid to lessors if vehicles are not purchased at the end of the lease term.

Control over subsidiary CarShineRussia LLC

Note 6 describes that CarShineRussia LLC is a subsidiary of the Group from October 2020. In The year ended December 31, 2020, the Group acquired 40% equity interest in CarShineRussia LLC ownership and obtained additional potential voting rights in the form of a call option for 25% of its equity which is exercisable during the following five years. The remaining 60% in this company is held by two original shareholders that are unrelated to the Group, owning 35% and 25%, respectively.

Management concluded that considering the potential voting rights and other relevant factors the Group has the present ability to direct all relevant activities of CarShineRussia LLC and therefore the Group has control. CarShineRussia LLC is consolidated in these financial statements starting from October 2020.

Had management concluded that the Group did not control CarShineRussia LLC its investment would instead have been classified as an associate and the Group would have accounted for it using the equity method of accounting.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Income tax

Deferred tax assets are reviewed at each statements of financial position date and reduced to the extent that it is not probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilised.

Various factors are considered to assess the probability of the future utilization of deferred tax assets, including past operating results, operational plans and tax planning strategies. If actual results differ from that estimates or if these estimates must be adjusted in future periods, the financial position, results of operations and cash flows may be affected.

Specifically, management’s judgment regarding future utilization of tax losses carried forward was made in the context of assessing overall viability of the Group’s business model and its continued development. It was additionally based on the increase of volume of car rentals and registered customers despite the negative impact of COVID-19 during the year ended December 31, 2020, as well as introduction of delivery services, continuing improvement in the underlying cost of financing implicit in the new and modified lease agreements for its car fleet, and synergies that are expected to be realized from the acquisition of CarShineRussia LLC.

Additionally, there is currently no time limit for utilization of prior periods’ tax losses carried forward in Russia, although the tax law specifies that for the years 2017-2021 tax losses of prior periods cannot offset more than 50% of the each year’s taxable profits.

Further details on income taxes are disclosed in Note 13.

Leases - Estimating the incremental borrowing rate

The value of a lease liability is based on management estimates of lease term as well as an incremental borrowing rate (IBR) used to discount remaining lease payments.

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Since the Group has not attracted material borrowings from third parties in the current and prior periods, the IBR requires management estimation.

The Group estimates the IBR using observable inputs for risk-free rate available from external sources with equal time to maturity adjusted to reflect the credit standing of the lessee and the economic environment in which the transaction occurs. The credit standing determined based on the credit spread of default probabilities of companies operating in various industries adjusted by a coefficient reflecting the specifics of the emerging market.

Revaluation of right-of-use assets

The Group measures the motor vehicles presented in right-of-use assets at revalued amounts, with changes in fair value being recognized in statements of profit or loss and other comprehensive income.

Motor vehicles were valued by management with the assistance of an independent appraiser by reference to the secondary retail market for used cars having similar characteristics (brand, model, year of manufacture). Specifically, inputs were referenced to the market price of vehicles that do not require repairs, as the Group creates a provision for expected costs of vehicle repairs based on pre-orders (for more details, see “Provisions and accruals” in Note 3). Determination of the fair value of motor vehicles as at the valuation date was carried out using a direct comparative approach and methods of correlation-regression analysis.

There is currently no available information for the market prices of cars that were used in car sharing businesses. The Group’s own historical data on sales of used vehicles is also very limited. Therefore valuation is based on the assumption that the Group’s vehicles may be sold on the secondary market at prices similar to those at which transactions are observed on the market for corporate fleets and cars that were in private use.

The carrying values of the Group’s leased motor vehicles as at December 31, 2020, December 31, 2019 and January 1, 2019 are disclosed in Note 15.

4. ADOPTION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

At the date of approval of this combined and consolidated financial statements, the following IFRS, not mandatory for adoption in the reporting periods beginning on or after January 1, 2020, were issued:

- IFRS 17 Insurance Contracts (January 1, 2023);
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (January 1, 2023);
- Reference to the Conceptual Framework – Amendments to IFRS 3 (January 1, 2022);
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (January 1, 2022);
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (January 1, 2022);

(in millions of Russian Rubles, unless otherwise stated)

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (January 1, 2022);
- IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities (January 1, 2022);
- IAS 41 Agriculture – Taxation in fair value measurements (January 1, 2022).
- The Group has not early adopted these standards, amendments and interpretations.
- Management of the Group does not expect that the application of new standards, amendments and interpretations will have material impact on the financial statements for the periods when they become effective.

5. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

These combined and consolidated financial statements were prepared by management of the Group for the first time. The date of transition to IFRS is January 1, 2019.

IFRS 1 “First-time Adoption of International Financial Reporting Standards” requires retrospective application of the latest version of the IFRS effective as at December 31, 2020.

The estimation of effect derived from transition to IFRS from Russian Accounting Standards (hereinafter referred to as “RAS”) is conducted as at the date of transition on January 1, 2019 and as at the end of the latest period presented in these combined and consolidated financial statements on December 31, 2020. The nature of transition effect on equity and comprehensive loss is specified in the tables below, with the “equity of the Group according to RAS” in each period representing the aggregated equity amounts for each legal entity within the combination:

		December 31, 2020	January 1, 2019
	Equity of the Group according to RAS	**(1,981)**	**(252)**
	Correction of RAS errors		
(i)	Trade and other payables and other current liabilities	(2)	(30)
(ii)	Provisions	-	(6)
	Equity of the Group according to RAS after corrections	**(1,983)**	**(288)**
	IFRS adjustments		
(iii)	Property, plant and equipment	38	1
(iv)	Intangible assets	(57)	(2)
(v)	Right-of-use assets	2,683	(967)
(vi)	Inventories	(4)	-
(vii)	Trade and other receivables and other current assets	(23)	(20)
(viii)	Borrowings	11	10
(ix)	Lease liabilities	(2,922)	304
(x)	Deferred tax	(38)	143
(xi)	Acquisition of subsidiary	1	-
	Equity of the Group according to IFRS	**(2,294)**	**(819)**

(in millions of Russian Rubles, unless otherwise stated)

		Year ended December 31, 2020
	Total comprehensive loss for the period according to RAS	**(2,633)**
	Correction of RAS errors	
(i)	Trade and other payables and other current liabilities	1
	Total comprehensive loss for the period according to RAS after corrections	**(2,632)**
	IFRS adjustments	
(iii)	Property, plant and equipment	37
(iv)	Intangible assets	(2)
(v)	Right-of-use assets	3,084
(vi)	Inventories	(2)
(vii)	Trade and other receivables and other current assets	19
(viii)	Borrowings	(13)
(ix)	Lease liabilities	(1,859)
(x)	Deferred tax	(347)
(xi)	Acquisition of subsidiary	15
	Total comprehensive loss for the period according to IFRS	**(1,700)**

The adjustments above refer to the differences between RAS and IFRS frameworks. The transition effect on equity as at January 1, 2019 and as reconciled as at December 31, 2020 incurred due to the following reasons:

(i) The correction of errors made in RAS related to differences at the time of recognition of expenses pertaining to trade and other payables and other current liabilities impacted the equity opening balance for the amount of RUB 30 million (December 31, 2020: RUB 2 million) and financial results in the year ended December 31, 2020 for the amount of RUB 1 million.

(ii) The correction of errors made in RAS related to the consistency of application of accounting policies impacting provisions impacted the equity opening balance for the amount of RUB 6 million.

(iii) As at January 1, 2019, The Group uses the fair value as deemed cost in the combined and consolidated statements of financial position for motor vehicles. The adjustment to the carrying amounts reported under the previous RAS effects on equity opening balance in the amount of RUB 1 million. Under RAS depreciation rules, the ‘residual value’ of property, plant and equipment measurement is assumed to be zero. Under IFRS, residual value is based on the expected fair value of the property plant and equipment at the end of useful life. Effects in the amount of RUB 21 million as at December 31, 2020 and RUB 16 million on financial results relate to using of deemed cost, different useful lives and residual value when calculating depreciation of motor vehicles. In accordance with IFRS, the Group used a revaluation model for the measurement of motor vehicles. The Group recognized the net effect from revaluation in the amount of RUB 21 million gain in the year ended December 31, 2020. Accumulated effect of revaluation as at December 31, 2020 accounted for RUB 17 million.

(iv) Recognition criteria of intangible assets in IFRS differ from ones in RAS. A number of intangible assets in RAS do not meet the recognition criteria in IFRS and were derecognized. The effect of the change is RUB 2 million on equity opening balance (December 31, 2020: RUB 57 million) and RUB 2 million on the year ended December 31, 2020 financial result.

(v) Under RAS, initial cost of right-of-use assets include all lease payments. As at January 1, 2019, The Group uses the fair value as deemed cost in the combined and consolidated statements of financial position for motor vehicles. The difference between deemed cost and carrying amounts reported under the previous RAS was recognized in equity at the date of transition to IFRSs in the amount of RUB 967 million. Under RAS, depreciation rules the ‘residual value’ of motor vehicles is assumed to be zero. Under IFRS, residual value is based on the expected fair value of motor vehicles at the end of useful life. Effects in the amount of RUB 1,045 million as at December 31, 2020 and RUB 1,157 million on financial results relate to using of deemed cost, different useful lives and residual value when calculating depreciation of motor vehicles. In accordance with IFRS, the Group used a revaluation model for the measurement of motor vehicles after recognition. The Group recognized the net effect from revaluation in the amount of RUB 1,927 million income in the year ended December 31, 2020. Accumulated effect relate to using of revaluation model as at December 31, 2020 accounted for RUB 1,638 million.

(vi) Adjustment of inventory balance includes write-offs to the net realizable value amounted RUB 2 million on financial result in the year ended December 31, 2020 (December 31, 2020: RUB 4 million). RAS requires inventories to be written down to realizable value, not adjusted by the estimated costs necessary to make the sale.

(vii) Recognition in IFRS an expected credit loss effects on equity opening balance accounted for RUB 20 million (December 31, 2020: RUB 21 million) and RUB 18 million income on financial result in the year ended December 31, 2020. Discounting long-term receivables effects on equity balance accounted for RUB 2 million as at December 31, 2020 and RUB 1 million income on financial result in the year ended December 31, 2020.

(viii) Recognition in IFRS for non-interest-bearing borrowings at amortized cost by RUB 13 million in the year ended December 31, 2020 in financial results, effect on equity opening balance accounted for RUB 10 million (December 31, 2020: RUB 11 million). In accordance with RAS, non-interest-bearing borrowings were recognized as nominal cost.

(ix) In accordance with the RAS rules, financial lease liabilities are recognized at the present value of the lease payments, operating lease assets and liabilities are not recognized. Under IFRS lease liabilities are measured at amortized cost. In case of modification of lease agreement lease liability remeasuring by discounting the revised lease payments using a revised discount rate. Effect on equity opening balance accounted for RUB 304 million (December 31, 2020: RUB 2,922 million). Lease interest in the amount of RUB 1,257 million and expenses related to the lease modifications in the amount of RUB 602 million accounted on financial result in the year ended December 31, 2020.

(x) Deferred tax assets and liabilities relating to the adjustments described above were recognized of assets and liabilities.

(xi) The adjustment relates to the acquisition of CarShineRussia LLC. Under RAS, investments in subsidiaries are recognised at cost and not consolidated. The profit of CarShineRussia LLC recognised in the Group’s combined and consolidated financial statements from the date of acquisition amounted to RUB 15 million; the total accumulated effect on equity as at December 31, 2020 was RUB 1 million.

Under RAS, cash flows from operating activities are reported using the direct method. Under IFRS, indirect method has been used. The comparison of RAS and IFRS operating activities in the combined and consolidated statements of cash flows is not applicable.

(in millions of Russian Rubles, unless otherwise stated)

For financial and investing activities material adjustments to the combined and consolidated statements of cash flows for the year ended December 31, 2020 as follow:

(i) Prepaid lease rentals under IFRS are included in investing activities in the amount of RUB 200 million. Under RAS rules prepaid lease rentals are included in financing activities.
(ii) Interest on borrowings paid in the amount of RUB 12 million are related to financing activities in the year ended December 31, 2020. Under RAS included in operating activities.
(iii) Payments related to operating leases are included in financial activities in the amount of RUB 367 million. Under RAS rules these payments are included in operating activities.

6. ACQUISITION OF A SUBSIDIARY

In October 2020, SMM LLC acquired 40% of the equity interest in CarShineRussia LLC. At the same time, SMM LLC received an irrevocable offer (effectively, a call option) and a written put option to acquire additional 25% of equity interest in CarShineRussia LLC. This transaction resulted in the Group obtaining control over CarShineRussia LLC and was accounted for as an acquisition of business.

The Group acquired CarShineRussia LLC to scale up and enhance its own expertise in fleet repair and maintenance.

The Group has elected to value the non-controlling interests using their proportionate share of the acquiree’s identifiable net assets.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of CarShineRussia LLC as at the date of acquisition were as follows:

	Fair value recognized on acquisition
Assets	
Property, plant and equipment (Note 14)	2
Right-of-use assets (Note15)	2
Deferred tax assets (Note13)	1
Inventories	21
Trade and other receivables	64
Cash and cash equivalents	13
Other current assets	7
	110
Liabilities	
Borrowings (Note 28)	(7)
Lease liabilities (Note 28)	(2)
Trade and other payables	(62)
Income tax payables	(4)
Other liabilities	(12)
	(87)
Total identifiable net assets at fair value	**23**
Non-controlling interests	14
Purchase consideration transferred	48
Goodwill arising on acquisition (Note 17)	**39**

CarShineRussia LLC provides services to the Group only and therefore its acquisition has not impacted the Group’s revenue.

(in millions of Russian Rubles, unless otherwise stated)

The goodwill of RUB 39 million comprises the value of expected synergies arising from the acquisition. The goodwill recognized is not expected to be deductible for income tax purposes.

Consideration transferred was as follows:

Purchase consideration	
Cash paid	-
Liability recognized for gross obligation under put option	80
Option premium recognized in equity	32
Total	**48**

Transaction costs were expensed and are included in general and administrative expenses.

7. REVENUE

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers by type and timing of revenue recognition:

		Year ended December 31,	
	Recognition	**2020**	**2019**
Revenue from car sharing services	over time	5,170	4,279
Other incidental customer fees	at a point time	953	606
Revenue from long-term rent	over time	176	104
Revenue from delivery services	at a point time	148	-
Revenue from used motor vehicles sales	at a point time	-	23
Other revenue	at a point time	2	-
Total		**6,449**	**5,012**

Contract balances

The following table provides information about the Group's accounts receivable and contract liabilities from contracts with customers:

	December 31, 2020	**December 31, 2019**	**January 1, 2019**
Trade receivables (Note 20)	100	63	17
Contract liabilities	(13)	(14)	-

Contract liabilities include customer advances.

(in millions of Russian Rubles, unless otherwise stated)

8. COST OF REVENUE

	Year ended December 31, 2020	2019
Car repair and maintenance	(1,667)	(1,597)
Fuel (including re-fuelling services)	(1,320)	(1,315)
Depreciation of right-of-use assets	(918)	(722)
Salaries and social contributions	(592)	(672)
Parking permissions	(351)	(272)
Delivery service	(77)	-
Amortization of intangible assets	(60)	(8)
Depreciation of property, plant and equipment	(9)	(2)
Expenses from the sale of vehicles	-	(25)
Other	(1,383)	(875)
Total	**(6,377)**	**(5,488)**

9. SALES AND MARKETING EXPENSES

	Year ended December 31, 2020	2019
Advertising and marketing	(407)	(421)
Salaries and social contributions	(29)	(24)
Total	**(436)**	**(445)**

10. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31, 2020	2019
Salaries and social contributions	(630)	(579)
Information services and communication	(171)	(125)
Expected credit losses of trade receivables	(72)	(71)
Depreciation of property, plant and equipment	(24)	(11)
Audit and accounting fees	(12)	(18)
Amortization of intangible assets	(8)	(4)
Other	(183)	(175)
Total	**(1,100)**	**(983)**

(in millions of Russian Rubles, unless otherwise stated)

11. OTHER INCOME/(EXPENSES)

	Year ended December 31,	
	2020	**2019**
Other income		
Reversal of an impairment loss on a right-of-use asset	304	-
Subsidies received	182	42
Compulsory civil liability insurance proceeds	163	106
Insurance compensation received for damage of vehicles	12	-
Reversal of impairment loss on property, plant and equipment	9	-
Gain on disposal of property, plant and equipment, net	2	-
Reversal of provision for receivables accrued	2	4
Other	42	24
Total other income	**716**	**176**
Other expenses		
Impairment of a right-of-use asset	(60)	(361)
VAT write-off	(39)	(8)
Loss on lease terminations	(31)	(3)
Write-off of receivables	(17)	(4)
Provision for other current assets	(2)	(15)
Impairment of property, plant and equipment	-	(12)
Loss on disposal of property, plant and equipment, net	-	(9)
Other	(29)	(13)
Total other expenses	**(178)**	**(425)**

In the year ended December 31, 2020, government grants of RUB 182 million (2019: RUB 42 million) were received as part of a government initiative to provide financial support to car sharing entities received towards lease payments made by the Group. There are no future related costs in respect of these grants and they were received solely as compensation for costs incurred in the past year. There are no unfulfilled conditions or other contingencies attached to these grants.

12. FINANCE INCOME/(COSTS)

	Year ended December 31,	
	2020	**2019**
Finance income		
Foreign exchange gain, net	12	-
Interest receivable	3	-
Total finance income	**15**	**-**
Finance costs		
Lease interest expense	(1,257)	(1,063)
Borrowing interest expense	(705)	(543)
Expenses related to the lease modifications	(602)	(305)
Foreign exchange loss, net	-	(34)
Other finance expenses	-	(52)
Total finance costs	**(2,564)**	**(1,997)**

The Group has revised lease payments due to separation of non-lease components and changes of lease terms due to the COVID-19 pandemic. The Group has remeasured the lease liability using the revised lease payments and the revised discount rate, resulting in an increase in the total lease liability of RUB 602 million (2019: RUB 305 million), which has been recognized as expenses related to the lease modifications in profit or loss.

(in millions of Russian Rubles, unless otherwise stated)

13. INCOME TAX

Major components of the income tax benefit are:

	Year ended December 31,	
	2020	**2019**
Current tax	(6)	(7)
Adjustments in respect of prior years	(11)	-
Deferred tax	436	584
Corporation income tax:	**419**	**577**

The standard rate of corporation tax applied to reported profit is 20% (2019: 20%):

	Year ended December 31,	
	2020	**2019**
Loss before tax on continuing operations	**(3,475)**	**(4,150)**
Tax at the Russian Federation corporation tax rate of 20%	695	830
Tax effect of expenses that are not deductible in determining taxable profit net	(265)	(253)
Adjustments in respect of prior years	(11)	-
Tax expense for the year	**419**	**577**

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognized in other comprehensive income:

	Year ended December 31,	
	2020	**2019**
Items that will not be reclassified subsequently to profit or loss:		
Losses on property revaluation	(337)	(16)
	(337)	**(16)**

(in millions of Russian Rubles, unless otherwise stated)

	As at January 1, 2020			Charge to other		As at December 31, 2020	
	Deferred tax assets	Deferred tax liabilities	Charge to profit or loss	comprehensive income	Acquisition of subsidiaries	Deferred tax assets	Deferred tax liabilities
Right-of-use assets	302	-	83	(337)	-	48	-
Property, plant and equipment	-	(317)	(354)	-	-	-	(671)
Intangible assets	11	-	-	-	-	11	-
Trade receivables and other non-financial assets	8	-	16	-	-	24	-
Inventories	-	-	-	-	1	1	-
Borrowings	3	-	3	-	-	6	-
Provisions	14	-	10	-	-	24	-
Losses of previous years	846	-	678	-	-	1,524	-
	1,184	**(317)**	**436**	**(337)**	**1**	**1,638**	**(671)**

	As at January 1, 2019			Charge to other	As at December 31, 2019	
	Deferred tax assets	Deferred tax liabilities	Charge to profit or loss	comprehensive income	Deferred tax assets	Deferred tax liabilities
Right-of-use assets	132	-	184	(14)	302	-
Property, plant and equipment	-	(44)	(271)	(2)	-	(317)
Intangible assets	-	-	11		11	-
Trade receivables and other non-financial assets	4	-	4		8	-
Borrowings	-	-	3		3	-
Provisions	3	-	11		14	-
Losses of previous years	204	-	642		846	-
	343	**(44)**	**584**	**(16)**	**1,184**	**(317)**

Significant management judgment about the timing of future events, including the expectations of future taxable income, available tax planning strategies and other relevant factors, is required in determining whether the realization of deferred tax assets is probable. We recognize deferred tax assets arising from unused tax losses only to the extent that there is convincing evidence that sufficient taxable income will be available against which the unused tax losses may be utilised. The Group has determined that it is appropriate to recognise a deferred tax asset in the amount of RUB 1,524 million as at December 31, 2020 (December 31, 2019: RUB 846 million). A deferred tax asset in the amount of RUB 98 million was not recognized as at December 31, 2020. If actual events differ from our estimates, or to the extent that these estimates are adjusted in the future, changes in the amount of an unrecognized deferred tax asset could materially impact our results of operations.

(in millions of Russian Rubles, unless otherwise stated)

14. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Office equipment	Machinery and equipment (except office)	Fixtures and fittings	Other property, plant and equipment	Assets under construction	Total
Initial cost							
As at January 1, 2019	**20**	**21**	**4**	**2**	**1**	**-**	**48**
Additions/internal transfers	88	20	5	1	1	1	116
Transfer from Right-of-use asset	7	-	-	-	-	-	7
Eliminating the accumulated depreciation against the gross carrying amount of the asset	(3)	-	-	-	-	-	(3)
Revaluation	(4)	-	-	-	-	-	(4)
Disposals	(12)	(2)	-	-	-	-	(14)
As at December 31, 2019	**96**	**39**	**9**	**3**	**2**	**1**	**150**
Additions/internal transfers	5	16	2	5	55	4	87
Transfer from Right-of-use asset	1	-	-	-	-	-	1
Transfer to other assets	-	-	-	-	-	(1)	(1)
Acquisition of subsidiaries	-	-	2	-	-	-	2
Eliminating the accumulated depreciation against the gross carrying amount of the asset	(6)	-	-	-	-	-	(6)
Revaluation	21	-	-	-	-	-	21
Disposals	(4)	(2)	-	-	-	-	(6)
As at December 31, 2020	**113**	**53**	**13**	**8**	**57**	**4**	**248**
Accumulated depreciation							
As at January 1, 2019	**-**	**(5)**	**(1)**	**(1)**	**-**	**-**	**(7)**
Depreciation charge	(3)	(9)	-	-	(1)	-	(13)
Transfer from Right-of-use asset	(1)	-	-	-	-	-	(1)
Eliminating the accumulated depreciation against the gross carrying amount of the asset	3	-	-	-	-	-	3
Disposals	1	1	-	-	-	-	2
As at December 31, 2019	**-**	**(13)**	**(1)**	**(1)**	**(1)**	**-**	**(16)**
Depreciation charge	(6)	(16)	(2)	(1)	(8)	-	(33)
Eliminating the accumulated depreciation against the gross carrying amount of the asset	6	-	-	-	-	-	6
Disposals	-	1	-	-	-	-	1
As at December 31, 2020	**-**	**(28)**	**(3)**	**(2)**	**(9)**	**-**	**(42)**
Net book value							
As at January 1, 2019	**20**	**16**	**3**	**1**	**1**	**-**	**41**
As at December 31, 2019	**96**	**26**	**8**	**2**	**1**	**1**	**134**
As at December 31, 2020	**113**	**25**	**10**	**6**	**48**	**4**	**206**

The carrying amount that would have been recognized had the motor vehicles been carried under the cost model equals RUB 83 million as at December 31, 2020, RUB 100 million as at December 31, 2019.

There were no pledged property, plant and equipment at reporting dates.

(in millions of Russian Rubles, unless otherwise stated)

15. RIGHT-OF-USE ASSETS

The carrying amount that would have been recognized had motor vehicles been carried under the cost model equals RUB 8,958 million as at December 31, 2020 (2019: RUB 7,150 million).

	Motor vehicles	Machinery and equipment (except office)	Total
Initial cost			
As at January 1, 2019	**3,889**	**-**	**3,889**
Additions	3,987	-	3,987
Transfer to Property, plant and equipment	(7)	-	(7)
Transfer to other assets	(5)	-	(5)
Eliminating the accumulated depreciation against the gross carrying amount of the asset	(671)	-	(671)
Revaluation	(289)	-	(289)
Disposals	(52)	-	(52)
As at December 31, 2019	**6,852**	**-**	**6,852**
Additions	2,817	12	2,829
Transfer to Property, plant and equipment	(1)	-	(1)
Transfer to other assets	-	-	-
Acquisition of subsidiaries	-	2	2
Eliminating the accumulated depreciation against the gross carrying amount of the asset	(890)	-	(890)
Revaluation	1,927	-	1,927
Disposals	(32)	-	(32)
As at December 31, 2020	**10,673**	**14**	**10,687**
Accumulated depreciation			
As at January 1, 2019	-	-	-
Depreciation charge	(722)	-	(722)
Transfer to Property, plant and equipment	1	-	1
Transfer to other assets	2	-	2
Eliminating the accumulated depreciation against the gross carrying amount of the asset	671	-	671
Disposals	48	-	48
As at December 31, 2019	-	-	-
Depreciation charge	(918)	-	(918)
Eliminating the accumulated depreciation against the gross carrying amount of the asset	890	-	890
Disposals	28	-	28
As at December 31, 2020	**-**	**-**	**-**
Net book value			
As at January 1, 2019	**3,889**	**-**	**3,889**
As at December 31, 2019	**6,852**	**-**	**6,852**
As at December 31, 2020	**10,673**	**14**	**10,687**

Amounts recognized in profit and loss	**Year ended December 31,**	
	2020	**2019**
Depreciation expense on right-of-use assets	918	722
Interest expense on lease liabilities	1,257	1,063
Expense relating to short-term leases	36	36
	2,211	**1,821**

(in millions of Russian Rubles, unless otherwise stated)

16. INTANGIBLE ASSETS

	Software	Internally developed software	In progress intangible assets	Total
Initial cost				
As at January 1, 2019	**12**	**8**	**15**	**35**
Additions/internal transfers	18	183	(15)	186
As at December 31, 2019	**30**	**191**	**-**	**221**
Additions/internal transfers	9	130	1	140
Disposals	(3)	-	-	(3)
As at December 31, 2020	**36**	**321**	**1**	**358**
Accumulated amortization				
As at January 1, 2019	**(1)**	**(1)**	**-**	**(2)**
Amortization charge	(5)	(7)	-	(12)
As at December 31, 2019	**(6)**	**(8)**	**-**	**(14)**
Amortization charge	(10)	(58)	-	(68)
Disposals	3	-	-	3
As at December 31, 2020	**(13)**	**(66)**	**-**	**(79)**
Net book value				
As at January 1, 2019	**11**	**7**	**15**	**33**
As at December 31, 2019	**24**	**183**	**-**	**207**
As at December 31, 2020	**23**	**255**	**1**	**279**

The Group did not have any pledged intangible assets at any of the reporting dates.

Some of the intangible assets are being developed internally. These intangible assets include software put into operation as a program consisting of the mobile app Delimobil (front-end), which customers use for car rental, and the platform Delitime (back-end), which is a set of information systems that manage the entire business logic of the car sharing service. As at December 31, 2020, the carrying amount of the Delitime platform and its related software products are RUB 242 million (December 31, 2019: RUB 168 million; January 1, 2019: RUB 7 million). The amortization of the Delitime platform and its related software products will finish in 2030 and 2022, respectively.

17. GOODWILL

The goodwill of RUB 39 million (2019: nil) results from the consolidation of CarShineRussia LLC acquired in October, 2020 (see Note 6).

The Group performed its annual impairment test on December 31, 2020. For impairment testing of goodwill from the acquisition of CarShineRussia LLC, the Group considers all assets of this subsidiary as a separate cash-generating unit.

The recoverable amount of CarShineRussia LLC of RUB 229 million as at December 31, 2020 has been determined based on a value in use calculation using cash flow projections from financial budgets covering a five-year period. The pre-tax discount rate applied to cash flow projections is 23,6% and cash flows beyond the five-year period are extrapolated using a 3,3% growth rate that is the same as the long-term average growth rate for the Russian economy. As a result of the analysis, the management did not identify an impairment for this cash generating unit (CGU).

(in millions of Russian Rubles, unless otherwise stated)

Key assumptions used in value in use calculation and sensitivity to changes in assumptions.

The following scenarios were considered as reasonably possible and were used for this sensitivity analysis:

- 10% decrease in the expected level of market profitability based on net profit;
- 1% increase in the discount rates;
- 1% reduction in growth rates used to extrapolate cash flows beyond the forecast period.

The expected level of market profitability is based on average values for the repair and maintenance industry. The expected level of market profitability was 7.4%. A reduction by 1% in the expected level of market profitability based on net profit would result in impairment in the amount of RUB 2 million. Decreased demand can lead to a decline in revenue. A decrease in revenue by 10.0% annually would not result in an impairment.

Discount rates − Discount rates represent the current market assessment of the risks specific to this CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is derived from its weighted average cost of capital (WACC). A rise in the pre-tax discount rate to 24.6% (i.e., +1%) would not result in an impairment.

Growth rate estimates − Rates are based on published industry research. A reduction by 1% in the long-term growth rate would not result in a further impairment.

18. OTHER NON-CURRENT AND CURRENT ASSETS

	December 31, 2020	December 31, 2019	January 1, 2019
Other non-current assets			
Advances given	8	110	-
Total other non-current assets	**8**	**110**	**-**
Other current assets			
Advances given	680	525	233
Provision for advances given	(20)	(18)	(7)
Receivables from personnel	3	4	3
VAT recoverable	203	434	99
Other taxes receivables	200	147	1
Other receivables	46	40	11
Total other current assets	**1,112**	**1,132**	**340**
Total other assets	**1,120**	**1,242**	**340**

(in millions of Russian Rubles, unless otherwise stated)

19. INVENTORIES

	December 31, 2020	December 31, 2019	January 1, 2019
Raw materials and consumables	114	57	28
Fuel	12	11	15
Vehicles for sale	-	2	1
Other materials	6	4	2
Total	**132**	**74**	**46**

There were no pledged inventories at reporting dates.

In the year ended December 31, 2020, the amount of inventories recognized as an expense during the period is RUB 1,699 million (2019: RUB 1,661 million).

The carrying amount of inventories in the table above is after a write-down to net realizable value of RUB 132 million, RUB 74 million and RUB 46 million as at December 31, 2020, December 31, 2019 and January 1, 2019, respectively. The changes in inventory valuation allowance during the years ended December 31, 2020 and 2019 is as follows:

	Inventory impairment
At January 1, 2019	-
Accrued	(2)
At December 31, 2019	**(2)**
Accrued	(5)
Recovered	1
At December 31, 2020	**(6)**

20. TRADE AND OTHER RECEIVABLES

	December 31, 2020	December 31, 2019	January 1, 2019
Trade receivables	260	151	34
Accounts receivable for the sale of a subsidiary	-	-	750
Other receivables	-	8	18
Loss allowance for expected credit losses on trade receivables	(160)	(88)	(17)
Total trade receivables less loss allowance for expected credit losses	**100**	**71**	**785**

As at December 31, 2020, RUB 5 million relates to long-term receivables (as at December 31, 2019: RUB 4 million).

(in millions of Russian Rubles, unless otherwise stated)

The analysis of past due and not past due financial trade and other receivables is presented in the table below:

	Non-overdue	<30	31-90	91-180	>180	Total
Trade and other receivables – number of days overdue as at December 31, 2020						
Expected credit loss ratio	0.87%	44.83%	62.08%	71.58%	100.00%	
Expected final gross value in case of default	68	40	12	21	119	260
Expected credit losses for the entire term	(1)	(18)	(7)	(15)	(119)	(160)
						100

	Non-overdue	<30	31-90	91-180	>180	Total
Trade and other receivables – number of days overdue as at December 31, 2019						
Expected credit loss ratio	0.87%	44.83%	62.08%	71.58%	100.00%	
Expected final gross value in case of default	38	44	9	22	46	159
Expected credit losses for the entire term	-	(20)	(6)	(16)	(46)	(88)
						71

	Non-overdue	<30	31-90	91-180	>180	Total
Trade and other receivables – number of days overdue as at January 1, 2019						
Expected credit loss ratio	0.87%	44.83%	62.08%	71.58%	100.00%	
Expected final gross value in case of default	786	7	1	4	4	802
Expected credit losses for the entire term	(6)	(3)	(1)	(3)	(4)	(17)
						785

The analysis of expected credit losses recognized is presented in the table below:

	Loss allowance for expected credit losses
As at January 1, 2019	**(17)**
Expected credit losses recognized	(71)
As at December 31, 2019	**(88)**
Expected credit losses recognized	(72)
As at December 31, 2020	**(160)**

21. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019	January 1, 2019
Bank accounts denominated in RUB	35	82	141
Short-term deposits denominated in RUB	72	-	-
Bank accounts denominated in EUR	-	9	-
Cash in transit denominated in RUB	10	11	27
Total	**117**	**102**	**168**

(in millions of Russian Rubles, unless otherwise stated)

Cash and cash equivalents include cash in transit from payment processors for customer's credit and debit card transactions, which was in the amount of RUB 10 million (2019: RUB 11 million).

As at December 31, 2020, cash equivalents comprised bank deposit with a maturity of 35 days in Russian Rubles at an interest rate of 3.4% and bank deposit with a maturity of 11 days in Russian Rubles at an interest of 2%.

22. COMPANIES' EQUITY HOLDERS NET INVESTMENT

As at December 31, 2020, December 31, 2019 and January 1, 2019, the individual share capital amounts of Carsharing Russia LLC, Anytime LLC, SMM LLC were paid in full and amounted to RUB 10,000, RUB 11,765 and RUB 1,000,000 respectively. The share capital of the entities has not been presented within the combined and consolidated financial statements as described in the Basis of Combination in Note 2.

As at December 31, 2020, December 31, 2020 and January 1, 2019, shareholders of each of the Companies was as follows:

	Percentage of shares as at:		
Shareholders of Carsharing Russia LLC	**December 31, 2020**	**December 31, 2019**	**January 1, 2019**
MK Impact Finance securitization fund managed by JSC Mikro Kapital Management (Grand Duchy of Luxembourg)	62.0	66.9	66.9
JSC D-Mobility Worldwide A.S. (Czech Republic)	10.0	10.0	-
MIKRO FUND securitization fund (Grand Duchy of Luxembourg)	-	-	10.0
Other private shareholders	28.0	23.1	23.1
Total	**100.0**	**100.0**	**100.0**

	Percentage of shares as at:		
Shareholders of Anytime LLC	**December 31, 2020**	**December 31, 2019**	**January 1, 2019**
JSC D-Mobility Worldwide A.S. (Czech Republic)	85.0	85.0	-
MIKRO FUND securitization fund (Grand Duchy of Luxembourg)	-	-	85.0
Other private shareholders	15.0	15.0	15.0
Total	**100.0**	**100.0**	**100.0**

	Percentage of shares as at:		
Shareholders of SMM LLC	**December 31, 2020**	**December 31, 2019**	**January 1, 2019**
MIKRO FUND securitization fund (Grand Duchy of Luxembourg)	100.0	100.0	100.0
Total	**100.0**	**100.0**	**100.0**

(in millions of Russian Rubles, unless otherwise stated)

Capital contributions for the years ended December 31, 2020 and 2019 and as at January 1, 2019 recognized within Companies' equity holders net investment were as follows:

Date of transaction	Nature of contribution	Receiving company	Amount
Total capital contributions as at January 1, 2019			**581**
September 30, 2019	Contribution to the company's assets without increasing the share capital by offsetting amount under loan agreements	Anytime LLC	469
December 31, 2019	Contribution to the Company's assets without increasing the share capital by depositing a cash contribution to the bank account	Carsharing Russia LLC	7
December 31, 2019	Contribution to the company's assets without increasing the share capital by offsetting amount under loan agreements	Carsharing Russia LLC	2,522
December 31, 2019	Contribution to the company's assets without increasing the share capital by offsetting amount under loan agreements	Anytime LLC	656
Total			**3,654**
Total capital contributions as at December 31, 2019			**4,235**
December 29, 2020	Contribution to the company's assets without increasing the share capital by offsetting amount under loan agreements	SMM LLC	12
December 31, 2020	Contribution to the company's assets without increasing the share capital by offsetting amount under loan agreements	Anytime LLC	60
Total			**72**
Total capital contributions as at December 31, 2020			**4,307**

23. NON-CONTROLLING INTERESTS

Summarized financial information before intragroup eliminations in respect of CarShineRussia LLC that has non-controlling interests is set out below.

Summarized statements of profit or loss for the year ended December 31, 2020:	**CarShineRussia LLC**
Revenue	110
Cost of revenue	(81)
Gross profit	**29**
General and administrative expenses	(6)
Profit before income tax	**23**
Income tax expense	(5)
Profit for the period	**18**
Profit attributable to equity holders of the Companies	7
Profit attributable to non-controlling interests	11
Total comprehensive profit for the period	**18**
Total comprehensive profit attributable to equity holders of the Companies	7
Total comprehensive profit attributable to non-controlling interests	11

(in millions of Russian Rubles, unless otherwise stated)

Summarized statements of financial position as at December 31, 2020:	**CarShineRussia LLC**
Assets	
Property, plant and equipment	3
Right-of-use assets	2
Deferred tax assets	1
Inventories	18
Trade and other receivables	97
Cash and cash equivalents	24
Other current assets	7
Total assets	**152**
Liabilities	
Short-term borrowings	(2)
Short-term lease liabilities	(2)
Trade and other payables	(79)
Income tax payable	(7)
Other current liabilities	(20)
Total liabilities	**(110)**
Total equity	**42**
Attributable to:	
Equity holders of parent	17
Non-controlling interest	25
Adjustments of non-controlling interests:	
Option premium recognized in equity	(32)
Total non-controlling interests as at December 31, 2020	**(7)**

Summarized cash flow information for year ended December 31, 2020:	**CarShineRussia LLC**
Operating	21
Investing	(1)
Financing	(9)
Net increase in cash and cash equivalents	**11**

(in millions of Russian Rubles, unless otherwise stated)

24. BORROWINGS AND LEASE LIABILITIES

	Annual interest rate	Maturity	December 31, 2020	Maturity	December 31, 2019	Maturity	January 1, 2019
Long-term borrowings received							
Long-term borrowings received from related parties - unsecured, RUB	17-25%	2022	17	2021-2022	95	2020-2022	1,287
Long-term borrowings received from third parties – unsecured, RUB	17-19%	2022	1	2021	4	2020	1
Total long-term borrowings received			**18**		**99**		**1,288**
Short-term borrowings received							
Short-term borrowings received from related parties - unsecured, RUB	17-25%	2021	6,168	2020	1,980	2019	370
Short-term borrowings received from third parties – unsecured, RUB	17-19%	2021	7	2020	42	2019	26
Total short-term borrowings received			**6,175**		**2,022**		**396**
Total borrowings received			**6,193**		**2,121**		**1,684**

As at December 31, 2020 borrowings include some liabilities at lower than market rates received from the controlling shareholder and companies under common control of the Group's controlling shareholders in the amount of RUB 113 million (2019: RUB 200 million). The present value of the borrowings was determined based on a discount rate of 25% (the average borrowing rate on comparable borrowings at the issue date) and amounts to RUB 102 million (2019: RUB 187 million). Part of these borrowings received was repaid before maturity.

	Annual interest rate	December 31, 2020	December 31, 2019	January 1, 2019
Long-term lease liabilities				
Machinery and equipment (except office), RUB	31%	6	-	-
Vehicles lease liabilities, RUB	16%-26%	5,015	5,445	3,388
Total long-term lease liabilities		**5,021**	**5,445**	**3,388**
Short-term lease liabilities				
Machinery and equipment (except office), RUB	31%	11	-	-
Vehicles lease liabilities, RUB	16%-26%	3,503	1,563	924
Total short-term lease liabilities		**3,514**	**1,563**	**924**
Total lease liabilities		**8,535**	**7,008**	**4,312**

The Group has received guarantees for lease obligations from entities under common control. As at December 31, 2020, the undiscounted amount of lease liabilities including VAT secured over received guarantees amounted to RUB 9,600 million (2019: RUB 9,310 million).

(in millions of Russian Rubles, unless otherwise stated)

25. TRADE AND OTHER PAYABLES

	December 31, 2020	December 31, 2019	January 1, 2019
Current financial liabilities			
Trade payables	442	489	273
Insurance premiums payble	317	289	-
Unused vacations accrual	56	34	21
Other accurued expenses	33	17	-
Payables in payment of dividends	6	-	-
Payables to personnel	2	9	1
Total current financial liabilities	**856**	**838**	**295**

26. PROVISIONS

The Group recognized a provision for car repairing relating to lease contracts whereby damage has occurred and the Group has an obligation to keep cars in a specified operational condition.

The movement of provision is presented in the table below:

	Provision for car repairing
As at January 1, 2019	**(6)**
Accrued	(56)
Recovered	6
As at December 31, 2019	**(56)**
Accrued	(45)
Recovered	56
As at December 31, 2020	**(45)**

27. OTHER LIABILITIES

	December 31, 2020	December 31, 2019	January 1, 2019
Current non-financial liabilities			
Other taxes payable	145	133	103
Current VAT on lease liabilities	150	44	9
Other payables	13	5	1
Total short-term non-financial liabilities	**308**	**182**	**113**

(in millions of Russian Rubles, unless otherwise stated)

28. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

			Non-cash changes						
	January 1, 2020	**Cash flows from financing activities**	**Interest expense**	**New lease agreements**	**Expenses related to the lease modifications**	**Offsetting amount under contribution to the Group's assets**	**Acquisition of a subsidiary**	**Other changes**	**December 31, 2020**
Borrowings	2,121	3,436	705	-	-	(72)	7	(4)	6,193
Lease liabilities	7,008	(2,950)	1,257	2,626	602	-	2	(10)	8,535
Total	**9,129**	**486**	**1,962**	**2,626**	**602**	**(72)**	**9**	**(14)**	**14,728**

			Non-cash changes					
	January 1, 2019	**Cash flows from financing activities**	**Interest expense**	**New lease agreements**	**Expenses related to the lease modifications**	**Offsetting amount under contribution to the Group's assets**	**Other changes**	**December 31, 2019**
Borrowings	1,684	3,560	543	-	-	(3,648)	(18)	2,121
Lease liabilities	4,312	(2,203)	1,063	3,537	305	-	(6)	7,008
Total	**5,996**	**1,357**	**1,606**	**3,537**	**305**	**(3,648)**	**(24)**	**9,129**

Cash flows from financing activities are amounts presented in the statements of cash flows.

(in millions of Russian Rubles, unless otherwise stated)

29. FINANCIAL RISK MANAGEMENT

The Group is exposed to market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk and currency risk.

The Group is not exposed to interest rate risk because entities in the Group do not borrow funds at floating interest rates.

The Group's activities expose market risk primarily to the financial risks of changes in foreign currency exchange rates.

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group limits its exposure to currency risk by denominating substantial monetary assets and liabilities in local currency. The management estimates the impact of foreign currency transactions as immaterial.

Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient funds to meet all its obligations as they come due.

The Group's liquidity position is carefully monitored and managed. The Group manages liquidity risk by matching the maturity profiles of financial assets and liabilities and attracting additional funding to help ensure that it has adequate cash available to meet its payment obligations.
The Group has three main sources of funding: lease contracts, equity financing and borrowings from related parties.

The tables below present the Group's outstanding financial liabilities under contracts with specified payment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

		Book value	Cash flow under the agreement			
	Note	at December 31, 2020	Repayment amount	less than one year	from 1 to 2 years	from 2 to 5 years
Financial liabilities						
Borrowings	24	6,193	6,586	6,542	44	-
Lease liabilities	24	8,535	9,968	4,442	4,192	1,334
Trade and other payables	25	856	856	856	-	-
Total future payments		**15,584**	**17,410**	**11,840**	**4,236**	**1,334**

(in millions of Russian Rubles, unless otherwise stated)

	Note	Book value at December 31, 2019	Cash flow under the agreement: Repayment amount	less than one year	from 1 to 2 years	from 2 to 5 years
Financial liabilities						
Borrowings	24	2,121	2,390	2,182	164	44
Lease liabilities	24	7,008	9,797	2,985	4,208	2,604
Trade payables	25	838	838	838	-	-
Total future payments		**9,967**	**13,025**	**6,005**	**4,372**	**2,648**

	Note	Book value at January 1, 2019	Cash flow under the agreement: Repayment amount	less than one year	from 1 to 2 years	from 2 to 5 years
Financial liabilities						
Borrowings	24	1,684	2,060	838	689	533
Lease liabilities	24	4,312	5,761	1,548	1,941	2,273
Trade payables	25	295	295	295	-	-
Total future payments		**6,291**	**8,116**	**2,681**	**2,630**	**2,806**

Credit risk

Credit risk is the risk that counterparties will fail to meet their obligations to repay all outstanding balances to the Group as they fall due. Financial assets which potentially subject the Group to credit risk include trade and other receivables and cash and cash equivalents.

The cash and cash equivalents are primarily held with banks, which are rated not less than BB, based on Standard & Poor’s and Fitch ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. No impairment allowance was recognized as at December 31, 2020 (2019: nil).

The Group’s trade receivables are substantially represented by short-term customer unpaid rent. All long-term rent is provided on advance basis, therefore no credit risk arises.

The Group does not hold any collateral to cover its credit risks associated with its financial assets.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome. Generally, accounts receivable are written-off if past due for more than three years.

The information about the credit risk exposure on the Group’s accounts receivable using a provision matrix is set out in Note 20.

The Group implemented a number of measures to manage credit risk, such as customers Scoring and rating program, advance card deposits blocked before the rent start and face identification system for drivers recognition.

(in millions of Russian Rubles, unless otherwise stated)

The Group's maximum exposure to credit risk equals carrying values of financial assets at the end of each reporting period:

	Note	December 31, 2020	December 31, 2019	January 1, 2019
Trade and other receivables				
Trade receivables	20	100	71	34
Other receivables	20	-	-	750
Cash and cash equivalents				
Bank accounts and cash	21	107	91	141
Cash in transit	21	10	11	27
Total maximum exposure to credit risk		**217**	**173**	**952**

Capital risk management

The Group manages its capital to ensure that companies in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity.

The Group's capital management ensures meeting the requirements of the legislation of the Russian Federation, according to which a company cannot have negative net assets for more than three consecutive years.

In order to comply with this requirement, the Group's shareholders make ad hoc contributions to the capital of the Companies (as detailed in Note 22).

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group does not hold any financial assets and financial liabilities other than those measured at amortized cost. Management assessed that the carrying values of the Group's financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values.

Financial assets and liabilities measured at amortized cost	December 31, 2020	December 31, 2019	January 1, 2019
Trade and other receivables	100	71	785
Borrowings	6,193	2,121	1,684
Lease liabilities	8,535	7,008	4,312
Trade and other payables	856	838	295

31. CONTINGENCIES AND COMMITMENTS

Tax legislation

The Russian business regulating legislation continues to change rapidly. Legislation changes are characterised by varying interpretations and established practice of making arbitrary judgments by authorities. Management's interpretation of such legislation in respect of the Group's operation can be contested by relevant regional and federal authorities. Tax authorities of the Russian Federation occupy a more rigid position in part of legislation interpretation and tax amounts computation. As a result, tax computation approaches, that were not contested in previous periods, can be contested during future tax audits. Generally, three years preceding to the reporting period are open to review by tax authorities. However, under certain circumstances audits may cover longer periods.

The Group recognized tax liabilities based on the management's assessment of the amount of money necessary to settle such liabilities. Management, based on its assumptions and interpretations of the effective Russian tax legislation, believes that tax liabilities are adequately recognized in these combined and consolidated financial statements. However, tax authorities may apply other interpretations, and their effect on the financial statements may be material.

Discount received as subsidies through the programme of the Russian Ministry of Industry and Trade on providing state support to car sharing companies

In November, 2020, the Group entered into the lease contracts as part of the programme of the Russian Ministry of Industry and Trade on providing state support to car sharing companies. The initial measurement of these lease liabilities included the discount from the lessor, in part of the advance payment, which the leasing company will receive directly from the government. Under the terms of the contract, if the lessor does not receive the full amount of the government grant for the discount provided to the Group, the lessor has the right to increase the lease payments by the amount of the discount. At the commencement date of the lease contracts and as at December 31, 2020, the Group considers it unlikely that the lessor will not receive the government grant. The amount of the discount provided was RUB 229 million.

Capital commitments

As at December 31, 2020, December 31, 2019 and January 1, 2019, the Group had no contractual commitments for the purchase of property, plant and equipment or other non-current assets.

32. SEGMENTS

For the periods presented in these combined and consolidated financial statements, there was no group management or chief operating decision maker ("CODM") as the Group was not run and operated as a consolidated group. For purposes of these combined and consolidated financial statements, segmentation is based on how to the future CODM will review the performance of the business and allocate resources, as further disclosed in the segmentation disclosure note.

The chief operating decision-maker (CODM) of the Group is due to be the Chief Executive Officers (CEOs) of each of the Companies. It is anticipated that going forward the CODM will review the Group's internal reporting based on financial information by two segments Delimobil and Anytime Prime based on activities of Carsharing Russia LLC and Anytime LLC, respectively. Segment information includes data about the activity of SMM LLC and its subsidiary through information about expenses Carsharing Russia LLC and Anytime LLC. Management has determined there are two operating segments on this basis.

(in millions of Russian Rubles, unless otherwise stated)

The CODM will assess the performance of the operating segments based on a measure of Segment Revenue and Adjusted EBITDA. Information related to each reportable segment is set out below. The Group does not report total assets or total liabilities based on its operating segments.

Goodwill is not allocated to reportable segments as described in note 17. Intangible assets other than goodwill are primarily related to Delimobil operating segment.

For the year ended December 31, 2020:

	Delimobil	Anytime Prime	Total reportable segments	Non-reportable	Eliminations	Group
Revenue from car sharing services	5,170	-	5,170	-	-	5,170
Other incidental customer fees	932	21	953	-	-	953
Revenue from long-term rent	-	176	176	-	-	176
Revenue from delivery services	148	-	148	-	-	148
Other revenue	-	-	-	2	-	2
Total revenue	**6,250**	**197**	**6,447**	**2**	**-**	**6,449**
Other income	162	1	163	44	-	207
Inter-segment other income	26	63	89	-	(89)	-
Total other income	**188**	**64**	**252**	**44**	**(89)**	**207**
Combined and consolidated income	**6,438**	**261**	**6,699**	**46**	**(89)**	**6,656**
External expenses	(5,596)	(144)	(5,740)	(1,202)	-	(6,942)
Internal expenses	(1,195)	(62)	(1,257)	-	1,257	-
Combined and consolidated expenses	**(6,791)**	**(206)**	**(6,997)**	**(1,202)**	**1,257**	**(6,942)**
Adjusted EBITDA	**(353)**	**55**	**(298)**	**(1,156)**	**1,168**	**(286)**

For the year ended December 31, 2019:

	Delimobil	Anytime Prime	Total reportable segments	Non-reportable	Eliminations	Group
Revenue from car sharing services	3,996	283	4,279	-	-	4,279
Other incidental customer fees	555	51	606	-	-	606
Revenue from long-term rent	-	104	104	-	-	104
Other revenue	-	-	-	23	-	23
Total revenue	**4,551**	**438**	**4,989**	**23**	**-**	**5,012**
Other income	87	19	106	28	-	134
Inter-segment revenue	117	106	223	-	(223)	-
Total other income	**204**	**125**	**329**	**28**	**(223)**	**134**
Combined and consolidated income	**4,755**	**563**	**5,318**	**51**	**(223)**	**5,146**
External expenses	(4,545)	(581)	(5,126)	(1,075)	-	(6,201)
Internal expenses	(1,005)	(273)	(1,278)	-	1,278	-
Combined and consolidated expenses	**(5,550)**	**(854)**	**(6,404)**	**(1,075)**	**1,278**	**(6,201)**
Adjusted EBITDA	**(795)**	**(291)**	**(1,086)**	**(1,024)**	**1,055**	**(1,055)**

(in millions of Russian Rubles, unless otherwise stated)

Reconciliation of loss before income tax to adjusted EBITDA of the Group is presented below:

	Year ended December 31,	
	2020	**2019**
Loss for the period	**(3,056)**	**(3,573)**
Income tax benefit	(419)	(577)
Finance costs (Note 12)	2,564	1,997
Finance income (Note 12)	(15)	-
Impairment of a right-of-use asset (Note 11)	60	361
VAT write-off (Note 11)	39	8
Loss on lease terminations (Note 11)	31	3
Impairment of property, plant and equipment (Note 11)	-	12
(Gain)/loss on disposal of property, plant and equipment, net (Note 11)	(2)	9
Reversal of an impairment loss on a right-of-use asset (Note 11)	(304)	-
Subsidies received (Note 11)	(182)	(42)
Insurance compensation received for damage of vehicles (Note 11)	(12)	-
Reversal of impairment loss on property, plant and equipment (Note 11)	(9)	-
Depreciation of property, plant and equipment (Note 8, 10)	33	13
Amortization of intangible assets (Note 8, 10)	68	12
Depreciation of right-of-use assets (Note 8)	918	722
Adjusted EBITDA	**(286)**	**(1,055)**

In all reporting periods, no individual customer represented more than 10% of the Group's total revenue.

33. RELATED PARTIES

Parties are generally considered to be related if one party has the ability to control the other party, is under common control, 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.

Compensation of the Group's key management personnel is presented in the table below:

	Year ended December 31,	
	2020	**2019**
Short-term benefits, before deduction of personal income tax	147	125
Total	**147**	**125**

Compensation comprises wages, bonuses, annual leave, medical insurance paid by the Group, and other similar payments in favour of the Group's key management personnel.

Significant balances with related parties as at December 31, 2020, as at December 31, 2019, January 1, 2019 are presented in the table below:

(in millions of Russian Rubles, unless otherwise stated)

Accounts receivable

Categories of related parties	Transaction	December 31, 2020	December 31, 2019	January 1, 2019
Shareholders of Companies	Sale of a share in capital	-	-	750
Entities under common control of the same ultimate controlling party of the Companies	Sale of equipment, goods, services and works	3	-	-
Entities under common control of the same ultimate controlling party of the Companies	Purchase of equipment, goods, services and works	12	9	25
Total		**15**	**9**	**775**

Accounts payable, lease liabilities and borrowings

Categories of related parties	Transaction	December 31, 2020	December 31, 2019	January 1, 2019
Entities under common control of the same ultimate controlling party of the Companies	Lease	689	771	915
Entities under common control of the same ultimate controlling party of the Companies	Purchase of equipment, goods, services and works	10	-	2
Key management personnel of the Companies or its Parent	Purchase of equipment, goods, services and works	10	10	-
Shareholders of Companies	Borrowings	6,168	1,976	1,395
Entities under common control of the same ultimate controlling party of the Companies	Borrowings	17	99	262
Total		**6 894**	**2 856**	**2 574**

In the year ended December 31, 2020, accounts receivable from an entity under common control of the ultimate controlling party of the Group to Carsharing Russia LLC in amount of RUB 7 million were written off.

Significant transactions with related parties during the years ended December 31, 2020 and December 31, 2019 are presented in the table below:

(in millions of Russian Rubles, unless otherwise stated)

Interest expense on borrowings received and lease liabilities

	Year ended December 31,	
Categories of related parties	**2020**	**2019**
Shareholders of Companies	685	515
Entities under common control of the same ultimate controlling party of the Companies	117	149
Total	**802**	**664**

Purchase of equipment, goods, services and works (including VAT)

	Year ended December 31,	
Categories of related parties	**2020**	**2019**
Key management personnel of the Companies or its Parent	-	10
Entities under common control of the same ultimate controlling party of the Companies	163	85
Total	**163**	**95**

Sale of equipment, goods, services and works (including VAT)

	Year ended December 31,	
Categories of related parties	**2020**	**2019**
Entities under common control of the same ultimate controlling party of the Companies	19	3
Total	**19**	**3**

Purchase of right-of-use assets

	Year ended December 31,	
Categories of related parties	**2020**	**2019**
Entities under common control of the same ultimate controlling party of the Companies	120	1
Total	**120**	**1**

34. EVENTS AFTER THE REPORTING DATE

The following events occurred between January 1, 2021 and the date of approval of these combined and consolidated financial statements:

Contribution to the Companies assets without increasing the share capital

In accordance with the Minutes of the Extraordinary General Meeting of Participants of January 14, 2021, it was resolved to make a contribution of RUB 2,000 million to the Carsharing Russia LLC assets without increasing the share capital by depositing to the Carsharing Russia LLC current bank account or otherwise in a manner permitted by the Russian legislation.

On January 15, 2021, the contribution of RUB 2,000 million to the Carsharing Russia LLC assets without increasing the share capital was made by offsetting principal amount under loan agreements with one of its participants.

Acquisition of subsidiaries and non-controlling interests

In March, 2021, SMM LLC acquired 30% of the share capital of Prolive+ LLC, a mobile refueling company operating in Moscow. At the same time, SMM LLC received an irrevocable offer (effectively, a put option) to acquire 21% share capital in Prolive+ LLC.

In June, 2021, SMM LLC terminated irrevocable option agreements on the acquisition of an additional 21% in Prolive+ LLC and 25% CarShineRussia LLC. At the same time, SMM LLC received irrevocable offers (effectively, put options) to acquire the remaining equity interests in CarShineRussia LLC (60%) for a total purchase price of RUB 119.5 million and Prolive+ LLC (70%) for a total purchase price of RUB 27.9 million, and 90% of the share capital of CarShineWash LLC for a total purchase price of RUB 14.4 thousand.

Issue of shares

On March 31, 2021, all shareholders of the Companies contributed their respective equity interests in the Companies in exchange for the newly issued shares of Delimobil Holding S.A.

On March 31, 2021, shareholders of Delimobil Holding S.A. increased its share capital to 100 million ordinary shares by issuing 95 million new ordinary shares with a nominal value of 0.01 EUR, fully paid by contribution in kind, consisting of shares in the Companies, and resulting in a share premium of 452,269,133 EUR. In June 2021, Delimobil Holding S.A. issued 12 million convertible preferred shares, all having a nominal value of EUR 0.01. NEVSKY PROPERTY FINANCE LIMITED acquired these preferred shares for RUB 4,396 million.

In June 2021, NEVSKY PROPERTY FINANCE LIMITED purchased 3 million ordinary shares from the shareholders of the Companies.

Phantom share plan

In June 2021, Delimobil Holding S.A. established a long-term employee benefits plan (the “Plan”), under which a participant would receive upon vesting and occurrence of certain events or on the third anniversary from the award date a fixed number of Phantom Shares. Phantom Shares are used solely as units of measurement and are not shares or the right to receive shares of Delimobil Holding S.A. Phantom Shares will be settled in cash upon vesting.

Distributions to non-controlling interest

CarShineRussia LLC has declared dividends to SMM LLC and to the non-controlling interest.

Dividends declared by CarShineRussia LLC to non-controlling shareholders amounted to RUB 3 million for the three months ended March 31, 2021.