

05 June 2017

## ROS AGRO financial results for Q1 2017

**05 June 2017** – Today ROS AGRO PLC (the “Company”), the holding company of Rusagro Group (the “Group”), a leading Russian diversified food producer with vertically integrated operations, has announced the financial results for the three months ended 31 March 2017.

### Q1 2017 Highlights

- Sales amounted to RR 18,780 million (US\$ 320 million<sup>1</sup>), an increase of RR 1,042 million compared to Q1 2016;
- Adjusted EBITDA<sup>2</sup> amounted to RR 2,725 million (US\$ 46 million), a decrease of RR 2,139 million compared to Q1 2016;
- Adjusted EBITDA margin amounted to 15%;
- Net debt position<sup>3</sup> as of 31 March 2017 was negative and amounted to RR -552 million (US\$ -10 million);
- Net Debt/ Adjusted EBITDA (LTM<sup>4</sup>) as of 31 March 2017 was -0.03x.

Commenting on the results, Maxim Basov, a member of the Board of Directors of ROS AGRO PLC and CEO of the Group, said:

“In the first quarter of 2017 rouble was stronger than in the first quarter of 2016 by more than 28%. Stronger rouble decreases margins of all business units given large surpluses of sugar, grain and vegetable oil in Russia. Margins of processing businesses (sugar and oil&fat) were further hit as raw material was bought at the end of the year when rouble was weaker and prices were higher. These businesses will operate with weak margins in strong rouble export-driven environment. Meat segment improved year-to-year on higher global meat prices and improved operations. Traditionally the first quarter is the weakest quarter in the year. Construction in Far East is on track. Integration of Razguliay assets is now completed.”

### Key consolidated financial performance indicators

| in RR million                              | Three months ended |               | Variance       |             |
|--|--------------------|---------------|----------------|-------------|
|  | 31 March 2017      | 31 March 2016 | Units          | %           |
| <b>Sales</b>                               | <b>18,780</b>      | <b>17,738</b> | <b>1,042</b>   | <b>6</b>    |
| <b>Gross profit</b>                        | <b>2,410</b>       | <b>3,650</b>  | <b>(1,240)</b> | <b>(34)</b> |
| <i>Gross margin, %</i>                     | <i>13%</i>         | <i>21%</i>    | <i>-8%</i>     |             |
| <b>Adjusted EBITDA</b>                     | <b>2,725</b>       | <b>4,863</b>  | <b>(2,139)</b> | <b>(44)</b> |
| <i>Adjusted EBITDA margin, %</i>           | <i>15%</i>         | <i>27%</i>    | <i>-13%</i>    |             |
| <b>Net profit / (loss) for the period*</b> | <b>(344)</b>       | <b>367</b>    | <b>(711)</b>   | <b>-</b>    |
| <i>Net profit margin %</i>                 | <i>-2%</i>         | <i>2%</i>     | <i>-4%</i>     |             |

\*Net profit for the period is affected by non-cash loss on revaluation of biological assets and agricultural produce. See details in business-sections below. Net profit for the period excl. effect of biological assets and agricultural produce revaluation amounted to RR 1,625 million for Q1 2017 (Q1 2016: RR 3,162 million), a decrease of RR 1,538 million or 49% compared to Q1 2016.

## Key financial performance indicators by segment

| in RR million                       | Three months ended |               | Variance       |             |
|-------------------------------------|--------------------|---------------|----------------|-------------|
|                                     | 31 March 2017      | 31 March 2016 | Units          | %           |
| <b>Sales, incl.</b>                 | <b>18,780</b>      | <b>17,738</b> | <b>1,042</b>   | <b>6</b>    |
| <i>Sugar</i>                        | 7,410              | 5,877         | 1,533          | 26          |
| <i>Meat</i>                         | 4,732              | 3,615         | 1,117          | 31          |
| <i>Agriculture</i>                  | 3,670              | 3,362         | 308            | 9           |
| <i>Oil and Fat</i>                  | 4,368              | 5,747         | (1,379)        | (24)        |
| <i>Other</i>                        | 16                 | 18            | (2)            | (10)        |
| <i>Eliminations</i>                 | (1,416)            | (881)         | (535)          | (61)        |
| <b>Gross profit / (loss), incl.</b> | <b>2,410</b>       | <b>3,650</b>  | <b>(1,240)</b> | <b>(34)</b> |
| <i>Sugar</i>                        | 1,394              | 2,783         | (1,390)        | (50)        |
| <i>Meat</i>                         | 621                | (773)         | 1,395          | -           |
| <i>Agriculture</i>                  | (40)               | 556           | (596)          | -           |
| <i>Oil and Fat</i>                  | 669                | 1,073         | (404)          | (38)        |
| <i>Other</i>                        | 16                 | 18            | (2)            | (10)        |
| <i>Eliminations</i>                 | (250)              | (7)           | (243)          | (3,664)     |
| <b>Adjusted EBITDA, incl.</b>       | <b>2,725</b>       | <b>4,863</b>  | <b>(2,139)</b> | <b>(44)</b> |
| <i>Sugar</i>                        | 734                | 2,315         | (1,580)        | (68)        |
| <i>Meat</i>                         | 1,331              | 551           | 780            | 142         |
| <i>Agriculture</i>                  | 363                | 1,563         | (1,200)        | (77)        |
| <i>Oil and Fat</i>                  | (59)               | 214           | (273)          | -           |
| <i>Other</i>                        | (136)              | (598)         | 462            | 77          |
| <i>Eliminations</i>                 | 492                | 820           | (327)          | (40)        |
| <b>Adjusted EBITDA margin, %</b>    | <b>15%</b>         | <b>27%</b>    | <b>-13%</b>    |             |
| <i>Sugar</i>                        | 10%                | 39%           | -29%           |             |
| <i>Meat</i>                         | 28%                | 15%           | 13%            |             |
| <i>Agriculture</i>                  | 10%                | 46%           | -37%           |             |
| <i>Oil and Fat</i>                  | -1%                | 4%            | -5%            |             |

## Sugar Segment

The financial results of the sugar segment for Q1 2017 as compared to Q1 2016 are presented in the table below:

| in RR million                            | Three months ended |               | Variance       |             |
|--|--------------------|---------------|----------------|-------------|
|  | 31 March 2017      | 31 March 2016 | Units          | %           |
| Sales                                    | 7,410              | 5,877         | 1,533          | 26          |
| Cost of sales                            | (6,012)            | (3,389)       | (2,622)        | (77)        |
| Net gain from trading derivatives        | (5)                | 296           | (300)          | -           |
| <b>Gross profit</b>                      | <b>1,394</b>       | <b>2,783</b>  | <b>(1,390)</b> | <b>(50)</b> |
| <i>Gross profit margin</i>               | 19%                | 47%           | -29%           |             |
| Distribution and selling expenses        | (725)              | (416)         | (309)          | (74)        |
| General and administrative expenses      | (381)              | (245)         | (136)          | (56)        |
| Other operating income / (expenses), net | (77)               | (29)          | (48)           | (169)       |
| <b>Operating profit</b>                  | <b>211</b>         | <b>2,094</b>  | <b>(1,883)</b> | <b>(90)</b> |
| <b>Adjusted EBITDA</b>                   | <b>734</b>         | <b>2,315</b>  | <b>(1,580)</b> | <b>(68)</b> |
| <i>Adjusted EBITDA margin</i>            | 10%                | 39%           | -29%           |             |

Sales in the sugar segment increased mainly because of 57% increase in sugar sales volume, following the high sugar beet harvest in 2016 and acquisition of new sugar plants in 2016, that was partly offset by 24% decrease in sugar sale prices. The sales volume of by-products are also increased. Revenue from beet pulp, molasses and betaine amounted to RR 408 million in Q1 2017 compared to RR 216 million in Q1 2016.

Additional factor of sales growth in Q1 2017 is the acquisition of buckwheat production plant from Razguliay Group in June 2016 and the beginning of sales of buckwheat products. Sales of rice and buckwheat amounted to RR 437 million in Q1 2017 compared to RR 124 million in Q1 2016.

Sugar sales and production volumes and the average sales prices per kilogram (excl. VAT) were as follows:

|   | Three months ended |               | Variance |      |
|---|--------------------|---------------|----------|------|
|   | 31 March 2017      | 31 March 2016 | Units    | %    |
| Sugar production volume (in thousand tonnes), incl. | 122                | -             | 122      | -    |
| beet sugar  | 122                | -             | 122      | -    |
| cane sugar  | -                  | -             | -        | -    |
| Sales volume (in thousand tonnes)                   | 196                | 125           | 72       | 57   |
| Sale price (roubles per kg, excl. VAT)              | 33.4               | 44.0          | (10.6)   | (24) |

An increase in *Distribution and selling expenses* mainly relates to increase in transportation and loading services and correlate with the increase in sales volume.

An increase in *General and administrative expenses* in Q1 2017 include RR 81 million attributed to newly acquired plants, whose financial results are included in the consolidated segment's results starting 1 June 2016. The remaining increase is attributed to an increase in payroll costs and taxes.

Profitability of the segment deteriorated following the significant decrease in sugar sale prices and lower sugar content in sugar beet from 2016 harvest.

## Meat Segment

The financial results of the meat segment for Q1 2017 as compared to Q1 2016 are presented in the table below:

| in RR million  | Three months ended |               | Variance     |            |
|--|--------------------|---------------|--------------|------------|
|  | 31 March 2017      | 31 March 2016 | Units        | %          |
| Sales  | 4,732              | 3,615         | 1,117        | 31         |
| Net gain / (loss) on revaluation of biological assets and agricultural produce | (336)              | (1,013)       | 677          | 67         |
| Cost of sales  | (3,775)            | (3,375)       | (400)        | (12)       |
| <b>Gross profit / (loss)</b>   | <b>621</b>         | <b>(773)</b>  | <b>1,395</b> | <b>-</b>   |
| <i>Gross profit margin</i>   | <i>13%</i>         | <i>-21%</i>   | <i>35%</i>   |            |
| <i>Gross profit excl. effect of biological assets revaluation</i>              | 957                | 240           | 717          | 299        |
| <i>Adjusted gross profit margin</i>  | <i>20%</i>         | <i>7%</i>     | <i>14%</i>   |            |
| Distribution and selling expenses  | (86)               | (44)          | (42)         | (94)       |
| General and administrative expenses  | (21)               | (138)         | 117          | 85         |
| Other operating income, net  | 70                 | 174           | (104)        | (60)       |
| <i>incl. reimbursement of operating costs (government grants)</i>              | -                  | 98            | (98)         | -          |
| <b>Operating profit / (loss)</b>   | <b>585</b>         | <b>(781)</b>  | <b>1,366</b> | <b>-</b>   |
| <b>Adjusted EBITDA</b>   | <b>1,331</b>       | <b>551</b>    | <b>780</b>   | <b>142</b> |
| <i>Adjusted EBITDA margin</i>  | <i>28%</i>         | <i>15%</i>    | <i>13%</i>   |            |

Sales in the meat segment increased by 31% as a result of both sales volume and pork sale prices increase. Overall sales volume increased due to increase in livestock population and the average weight of pigs.

Pork sales volumes and the average pork sales prices per kilogram (excl. VAT) were as follows:

|  | Three months ended |               | Variance |    |
|--|--------------------|---------------|----------|----|
|  | 31 March 2017      | 31 March 2016 | Units    | %  |
| Sales volume (in thousand tonnes), incl. | 44                 | 37            | 7        | 21 |
| livestock pigs                           | 21                 | 16            | 5        | 33 |
| processed pork                           | 23                 | 21            | 2        | 11 |
| Sale prices (roubles per kg, excl. VAT): |                    |               |          |    |
| livestock pigs                           | 93.9               | 82.4          | 11.5     | 14 |
| processed pork                           | 120.1              | 111.7         | 8.4      | 7  |

Net loss on revaluation of biological assets and agricultural produce in Q1 2017 resulted mainly from a decrease in market prices for live pigs during Q1 2017 and a respective decrease in fair value of livestock in the closing balance compared to the beginning of the year. In Q1 2016 a magnitude of a decrease in live pigs market prices were more significant compared to Q1 2017 and was accompanied by an increase in cost due to higher grain and other feed components prices.

General and administrative expenses in Q1 2017 include RR 114 million of gain from reverse of property tax for 2016 in relation to tax relief legally confirmed in Q1 2017.

Other operating income in Q1 2017 decreased due to the lack of government grants for compensation of operating expenses. On the contrary, in Q1 2016 the meat segment received RR 98 million of subsidies for partial reimbursement of feed costs.

## Agricultural Segment

As at 31 March 2017 the segment's area of controlled land stands at 665 thousand hectares, including 86 thousand hectares in the Far Eastern region. The financial results of the agricultural segment for Q1 2017 as compared to Q1 2016 are presented in the table below:

| in RR million  | Three months ended |               | Variance       |             |
|--|--------------------|---------------|----------------|-------------|
|  | 31 March 2017      | 31 March 2016 | Units          | %           |
| Sales  | 3,670              | 3,362         | 308            | 9           |
| Net gain / (loss) on revaluation of biological assets and agricultural produce             | (1,146)            | (1,049)       | (97)           | (9)         |
| Cost of sales  | (2,564)            | (1,758)       | (806)          | (46)        |
| Net gain/ (loss) from trading derivatives  | -                  | 1             | (1)            | -           |
| <b>Gross profit / (loss)</b>   | <b>(40)</b>        | <b>556</b>    | <b>(596)</b>   | <b>-</b>    |
| <i>Gross profit margin</i>   | <i>-1%</i>         | <i>17%</i>    | <i>-18%</i>    |             |
| <i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i> | <i>1,106</i>       | <i>1,605</i>  | <i>(499)</i>   | <i>(31)</i> |
| <i>Adjusted gross profit margin</i>  | <i>30%</i>         | <i>48%</i>    | <i>-18%</i>    |             |
| Distribution and selling expenses  | (826)              | (289)         | (537)          | (186)       |
| General and administrative expenses  | (252)              | (146)         | (106)          | (72)        |
| Other operating income, net  | 29                 | 151           | (122)          | (81)        |
| <i>incl. reimbursement of operating costs (government grants)</i>                          | <i>-</i>           | <i>159</i>    | <i>(159)</i>   | <i>-</i>    |
| <b>Operating profit / (loss)</b>   | <b>(1,090)</b>     | <b>271</b>    | <b>(1,361)</b> | <b>-</b>    |
| <b>Adjusted EBITDA</b>   | <b>363</b>         | <b>1,563</b>  | <b>(1,200)</b> | <b>(77)</b> |
| <i>Adjusted EBITDA margin</i>  | <i>10%</i>         | <i>46%</i>    | <i>-37%</i>    |             |

In Q1 2017 *Sales* increased by 9% as compared to Q1 2016 as a result of sales of sugar beet, that was not the case in Q1 2016, and 90% increase in sales volume of wheat, which was offset by a decrease in sales volume of sunflower seeds and soy and a decrease in sale prices.

Sales volumes by product were as follows:

| Thousand tonnes | Three months ended |               | Variance |      |
|-----------------|--------------------|---------------|----------|------|
|                 | 31 March 2017      | 31 March 2016 | Units    | %    |
| sugar beet      | 452                | -             | 452      | -    |
| wheat           | 164                | 87            | 78       | 90   |
| barley          | 12                 | 12            | 1        | 8    |
| sunflower seeds | 18                 | 33            | (15)     | (46) |
| corn            | 38                 | 40            | (2)      | (5)  |
| soy             | 31                 | 56            | (25)     | (45) |

The average sale prices per kilogram (excl. VAT) were as follows:

| RR per kilogram, excl. VAT | Three months ended |               | Variance |      |
|----------------------------|--------------------|---------------|----------|------|
|                            | 31 March 2017      | 31 March 2016 | Units    | %    |
| sugar beet                 | 2.1                | n/a           | n/a      | n/a  |
| wheat                      | 7.4                | 8.9           | (1.5)    | (17) |
| barley                     | 7.1                | 10.4          | (3.4)    | (32) |
| sunflower seeds            | 16.7               | 23.6          | (6.9)    | (29) |
| corn                       | 9.3                | 8.5           | 0.8      | 9    |
| soy                        | 19.9               | 22.4          | (2.5)    | (11) |

*Net loss on revaluation of biological assets and agricultural produce* in Q1 figures represents the realisation of gain from crops revaluation, recognised in the previous year financial statements and remained unrealised as at the year-end. The gain on revaluation of crops and its subsequent realisation do not affect the Adjusted EBITDA figure.

An increase in *Distribution and selling expenses* relates to an increase in sales volume (see above) and significant opening balance of crops from the previous year harvest.

An increase in *General and administrative expenses* in Q1 2017 include RR 51 million attributed to the agricultural companies, acquired in Q2 2016 and later, whose financial results were not included in the consolidated segment's results in Q1 2016. The remaining increase is attributed to an increase in payroll costs and consulting services related to implementation and support the SAP ERP.

*Other operating income* in Q1 2017 significantly decreased due to the lack of government grants for compensation of operating expenses. On the contrary, in Q1 2016 the agricultural segment received RR 159 million of subsidies for compensation of operating expenses.

## Oil and Fat segment

The financial results of the oil and fat segment for Q1 2017 as compared to Q1 2016 are presented in the table below:

| in RR million                       | Three months ended |               | Variance     |             |
|-------------------------------------|--------------------|---------------|--------------|-------------|
|                                     | 31 March 2017      | 31 March 2016 | Units        | %           |
| Sales                               | 4,368              | 5,747         | (1,379)      | (24)        |
| Cost of sales                       | (3,699)            | (4,675)       | 975          | 21          |
| <b>Gross profit</b>                 | <b>669</b>         | <b>1,073</b>  | <b>(404)</b> | <b>(38)</b> |
| <i>Gross profit margin</i>          | <i>15%</i>         | <i>19%</i>    | <i>-3%</i>   |             |
| Distribution and selling expenses   | (672)              | (789)         | 117          | 15          |
| General and administrative expenses | (186)              | (158)         | (28)         | (18)        |

| in RR million                           | Three months ended |               | Variance     |          |
|---|--------------------|---------------|--------------|----------|
|   | 31 March 2017      | 31 March 2016 | Units        | %        |
| Other operating income/ (expenses), net | 33                 | 61            | (28)         | (46)     |
| <b>Operating profit / (loss)</b>        | <b>(156)</b>       | <b>186</b>    | <b>(342)</b> | <b>-</b> |
| <b>Adjusted EBITDA</b>                  | <b>(59)</b>        | <b>214</b>    | <b>(273)</b> | <b>-</b> |
| <i>Adjusted EBITDA margin</i>           | <i>-1%</i>         | <i>4%</i>     | <i>-5%</i>   |          |

The breakdown of Sales, Gross profit and Adjusted EBITDA between the Samara oil plant, the Ekaterinburg fat plant and Far East operations is as follows:

| in RR million                    | Three months ended |               | Variance       |             |
|----------------------------------|--------------------|---------------|----------------|-------------|
|                                  | 31 March 2017      | 31 March 2016 | Units          | %           |
| <b>Sales, incl.</b>              | <b>4,368</b>       | <b>5,747</b>  | <b>(1,379)</b> | <b>(24)</b> |
| <i>Samara oil plant</i>          | 1,946              | 3,285         | (1,338)        | (41)        |
| <i>Ekat. fat plant</i>           | 2,097              | 2,064         | 33             | 2           |
| <i>Far East</i>                  | 906                | 997           | (91)           | (9)         |
| <i>Eliminations</i>              | (581)              | (598)         | 17             | 3           |
| <b>Gross profit, incl.</b>       | <b>669</b>         | <b>1,073</b>  | <b>(404)</b>   | <b>(38)</b> |
| <i>Samara oil plant</i>          | 158                | 512           | (353)          | (69)        |
| <i>Ekat. fat plant</i>           | 426                | 450           | (23)           | (5)         |
| <i>Far East</i>                  | 72                 | 141           | (70)           | (49)        |
| <i>Eliminations</i>              | 12                 | (30)          | 42             | -           |
| <b>Adjusted EBITDA, incl.</b>    | <b>(59)</b>        | <b>214</b>    | <b>(273)</b>   | <b>-</b>    |
| <i>Samara oil plant</i>          | (60)               | 205           | (264)          | -           |
| <i>Ekat. fat plant</i>           | (76)               | (84)          | 8              | 10          |
| <i>Far East</i>                  | 37                 | 96            | (59)           | (62)        |
| <i>Eliminations</i>              | 40                 | (3)           | 43             | -           |
| <b>Adjusted EBITDA margin, %</b> | <b>-1%</b>         | <b>4%</b>     | <b>-5%</b>     |             |
| <i>Samara oil plant</i>          | <i>-3%</i>         | <i>6%</i>     | <i>-9%</i>     |             |
| <i>Ekat. fat plant</i>           | <i>-4%</i>         | <i>-4%</i>    | <i>0%</i>      |             |
| <i>Far East</i>                  | <i>4%</i>          | <i>10%</i>    | <i>-6%</i>     |             |

Intra-segment sales include sales of raw oil from Samara oil plant to Ekaterinburg fat plant.

Sales volumes by product were as follows:

| Thousand tonnes        | Three months ended |               | Variance |      |
|------------------------|--------------------|---------------|----------|------|
|                        | 31 March 2017      | 31 March 2016 | Units    | %    |
| Ekaterinburg fat plant |                    |               |          |      |
| mayonnaise             | 15.8               | 14.4          | 1.4      | 10   |
| margarine              | 9.4                | 9.7           | (0.3)    | (3)  |
| bottled oil            | 4.1                | 3.4           | 0.7      | 20   |
| Samara oil plant       |                    |               |          |      |
| bulk oil               | 24                 | 38            | (14)     | (37) |
| meal                   | 48                 | 44            | 4        | 9    |
| Far East               |                    |               |          |      |
| bottled oil            | 0.4                | 1.7           | (1.2)    | (75) |
| bulk oil               | 0.2                | 0.5           | (0.3)    | (58) |
| meal                   | 21                 | 26            | (5)      | (18) |

The average sale prices per kilogram (excl. VAT) for sales to third parties were as follows:

| RR per kilogram, excl. VAT | Three months ended |               | Variance |      |
|----------------------------|--------------------|---------------|----------|------|
|                            | 31 March 2017      | 31 March 2016 | Units    | %    |
| mayonnaise                 | 77.1               | 75.7          | 1.5      | 2    |
| margarine                  | 78.1               | 69.4          | 8.6      | 12   |
| bottled oil                | 62.1               | 75.6          | (13.5)   | (18) |
| bulk oil                   | 44.2               | 57.8          | (13.6)   | (23) |
| meal                       | 16.2               | 18.8          | (2.5)    | (13) |

A decrease in gross profit and Adjusted EBITDA is attributed to Samara oil plant and Far East operations. These plants faced a significant decrease in sale prices that was partly compensated by a decrease of raw materials, sunflower seeds and soybean, prices. The segment decreased export operations with bulk oil that also led to a decrease in gross profit and Adjusted EBITDA.

#### Key consolidated cash flow indicators (not IFRS presentation\*)

The key consolidated cash flow indicators presented according to management accounts methodology were as follows:

| in RR million   | Three months ended |                | Variance       |              |
|---|--------------------|----------------|----------------|--------------|
|   | 31 March 2017      | 31 March 2016  | Units          | %            |
| <b>Net cash from operating activities, incl.</b>  | <b>7,113</b>       | <b>856</b>     | <b>6,257</b>   | <b>731</b>   |
| <i>Operating cash flow before working capital changes</i>                                   | 2,804              | 4,138          | (1,417)        | (34)         |
| <i>Working capital changes</i>  | 4,465              | (2,797)        | 7,346          | -            |
| <b>Net cash used in investing activities, incl.</b>   | <b>(2,850)</b>     | <b>(1,310)</b> | <b>(1,541)</b> | <b>(118)</b> |
| <i>Purchases of property, plant and equipment and inventories intended for construction</i> | (2,901)            | (1,156)        | (1,745)        | (151)        |
| <b>Net cash from/ (used in) financing activities</b>  | <b>6,489</b>       | <b>210</b>     | <b>6,279</b>   | <b>2,989</b> |
| <b>Net effect of exchange rate changes on cash and cash equivalents</b>                     | <b>(97)</b>        | <b>(412)</b>   | <b>315</b>     | <b>77</b>    |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                               | <b>10,656</b>      | <b>(655)</b>   | <b>11,311</b>  | <b>-</b>     |

(\*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in Q1 2017 were made in the agricultural segment in the amount of RR 1,669 million (Q1 2016: RR 552 million), related to purchases of machinery and equipment, and in the sugar segment in the amount of RR 461 million (Q1 2016: RR 435 million), related to the modernization of sugar plants. Investments in the oil and fat segment for Q1 2017 amounted to RR 400 million (Q1 2016: RR 94 million) and mainly relates to construction of vegetable oil refining, deodorizing and packaging plant in Samara region. Investments in property, plant and equipment and inventories intended for construction in the meat segment for Q1 2017 amounted to RR 371 million (Q1 2016: RR 62 million), net of purchases from other segments, and mainly relates to construction of new pig-breeding farms.

## Debt position and liquidity management

| in RR million                                       | 31 March 2017   | 31 December 2016 | Variance       |             |
|---|-----------------|------------------|----------------|-------------|
|   |                 |                  | Units          | %           |
| <b>Gross debt</b>                                   | <b>37,850</b>   | <b>44,503</b>    | <b>(6,653)</b> | <b>(15)</b> |
| Short term borrowings                               | 6,646           | 11,704           | (5,059)        | (43)        |
| Long term borrowings                                | 31,204          | 32,798           | (1,594)        | (5)         |
| <b>Cash and cash equivalents, bank deposits and</b> | <b>(38,402)</b> | <b>(40,160)</b>  | <b>1,759</b>   | <b>4</b>    |
| Short-term cash, deposits and bonds                 | (21,295)        | (23,044)         | 1,749          | 8           |
| Long-term cash, deposits and bonds                  | (17,107)        | (17,116)         | 9              | 0           |
| <b>Net debt</b>                                     | <b>(552)</b>    | <b>4,342</b>     | <b>(4,894)</b> | <b>-</b>    |
| Short term borrowings, net                          | (14,649)        | (11,340)         | (3,309)        | (29)        |
| Long term borrowings, net                           | 14,097          | 15,682           | (1,585)        | (10)        |
| <b>Adjusted EBITDA (LTM<sup>4</sup>)</b>            | <b>16,067</b>   | <b>18,205</b>    | <b>(2,139)</b> | <b>(12)</b> |
| <b>Net debt/Adjusted EBITDA (LTM)</b>               | <b>(0.03)</b>   | <b>0.24</b>      | <b>(0.3)</b>   |             |

## Net finance income/ (expense)

| in RR million                                       | Three months ended |                | Variance     |           |
|---|--------------------|----------------|--------------|-----------|
|   | 31 March 2017      | 31 March 2016  | Units        | %         |
| <b>Net interest expense</b>                         | <b>(840)</b>       | <b>(1,311)</b> | <b>471</b>   | <b>36</b> |
| Gross interest expense                              | (859)              | (1,420)        | 561          | 39        |
| Reimbursement of interest expense                   | 19                 | 109            | (90)         | (83)      |
| <b>Interest income</b>                              | <b>1,134</b>       | <b>957</b>     | <b>177</b>   | <b>19</b> |
| <b>Net gain/ (loss) from bonds held for trading</b> | <b>(8)</b>         | <b>-</b>       | <b>(8)</b>   | <b>-</b>  |
| <b>Other financial income/ (expenses), net</b>      | <b>(36)</b>        | <b>(856)</b>   | <b>820</b>   | <b>96</b> |
| Net foreign exchange gain/ (loss)                   | (32)               | (839)          | 807          | 96        |
| Other financial expenses, net                       | (4)                | (17)           | 13           | 78        |
| <b>Total net finance income/ (expense)</b>          | <b>250</b>         | <b>(1,210)</b> | <b>1,460</b> | <b>-</b>  |

In Q1 2017 the Group earned RR 250 million of net finance income compared to RR 1,210 million of net finance expenses in Q1 2016. So positive changes in *Net finance income/ (expense)* provided RR 1,460 million of gain into quarter-to-quarter dynamics of the Group's net profit.

The group received RR 471 million of savings in *Net interest expense* as a result of a decrease in gross debt and more favourable average interest rates.

*Net foreign exchange loss* significantly decreased from RR 839 million in Q1 2016 to RR 32 million in Q1 2017. Forex losses in Q1 2016 mainly related to cash on bank deposits and cash on current bank accounts.

(1) The exchange rates used for translation of RR amounts into USD represent average Central Bank official exchange rate for the respective reporting period for income, expenses and profits and the Central Bank official exchange rate as at the reporting date for balance figures.

(2) Adjusted EBITDA is defined as operating profit before taking into account (i) depreciation, (ii) other operating income, net (other than reimbursement of operating costs (government grants)), (iii) net gain/ (loss) on revaluation of biological assets and agricultural produce, (iv) provision/ (reversal of provision) for net realizable value of agricultural produce (see Appendix 2 for the detailed calculation of Adjusted EBITDA). Adjusted EBITDA is not a measure of financial performance under IFRS. It should not be considered as an alternative to profit for the period as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Our calculation of Adjusted EBITDA may be different from the calculation used by other companies and therefore comparability may be limited. We believe that Adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions of subsidiaries and other investments and our ability to incur and service debt.



(3) The Group determines the net debt as short-term borrowings and long-term borrowings less cash and cash equivalents, bank deposits, bank promissory notes and bonds held for trading.

(4) LTM – The abbreviation for the “Last twelve months”.

**Note:**

**ROS AGRO PLC (LSE: AGRO)** – a holding company of Rusagro Group, a leading Russian diversified food producer with vertically integrated operations in the following branches:

*Sugar:*

We are a leading Russian sugar producer, producing sugar on nine production sites from both sugar beet and raw cane sugar. We produce white and brown cube sugar and packaged sugar sold under the brands Chaikofsky, Russkii Sakhar, Mon Cafe and Brauni. Our sugar segment is vertically integrated with sugar beet cultivation in our agriculture segment, through which we strive to ensure a consistent supply of sugar beets. We also operate a cereal plant and sell buckwheat and rice under the brand Tyoplye Traditsii.

*Meat:*

According to the National Union of Pig Breeders, we are the second largest pork producer in Russia on the ground of relative production volumes for 2016. We have implemented best practices in biosecurity at our pig farms.

*Agricultural:*

The Group currently controls what it believes to be one of the largest land banks among Russian agriculture producers, with 665 thousand hectares of land under our control located in the highly fertile Black Earth region of Russia (in the Belgorod, Tambov and Voronezh regions) and in the Far East Primorie region. Land and production sites are strategically located within the same regions to optimize efficiency and minimize logistical costs. We believe we are one of the major sugar beet producers in Russia, and our agricultural segment also produces winter wheat and barley, sunflower products and soybeans. These products are partially consumed by the meat segment, supporting a synergistic effect and lowering price change risk.

*Oil and Fat:*

We are a leading producer of mayonnaise and consumer margarine in Russia, such as "Provansal EZhK" and "Schedroe Leto". In January 2013 the Company has begun production of mayonnaise under brand "Mechta Khozyayki". Our oil extraction plant located in Samara (Samara oil plant) enables us to control the source of 100% of the vegetable oil required by our oil and fats production plant in Ekaterinburg (Ekaterinburg fat plant).

**Forward-looking statements**

This announcement includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements do not relate to historical or current events, or to any future financial or operational activity of the Group.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond the Rusagro Group's control. As a result, actual future results may differ materially from the plans and expectations set out in these forward-looking statements.

The Group undertakes no obligation to release the results of any revisions to any forward-looking statements that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

Rusagro management is organizing a conference call about its Q1 2017 financial results for investors and analysts.

*Details of call:*

|                  |  |
|------------------|--|
| Date             | 31 May 2017  |
| Time             | 4:00 PM (Moscow) /2:00 PM (London) at the same day |
| Subject          | ROS AGRO PLC Q1 2017 Financial Results             |
| UK Toll Free     | 0800 368 0935                                      |
| UK Local Line    | +44 330 336 9105                                   |
| USA Toll Free    | 888 389 5986                                       |
| USA Local Line   | +1 719 457 1036                                    |
| Russia Toll Free | +7 495 213 1767                                    |
| Conference ID    | <b>3961228</b>                                     |

**Contacts:**

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[SKuznetsova@rusagrogroup.ru](mailto:SKuznetsova@rusagrogroup.ru)

**Appendix 1. Unaudited consolidated statement of comprehensive income for the three months ended 31 March 2017 (in RR thousand)**

|  | <b>Three months ended</b> |                      |
|--|---------------------------|----------------------|
|  | <b>31 March 2017</b>      | <b>31 March 2016</b> |
| Sales  | 18,779,507                | 17,737,764           |
| Net gain / (loss) on revaluation of biological assets and agricultural produce   | (1,968,309)               | (2,795,100)          |
| Cost of sales  | (14,396,722)              | (11,589,490)         |
| Net gain / (loss) from trading derivatives   | (4,540)                   | 296,457              |
| <b>Gross profit</b>  | <b>2,409,936</b>          | <b>3,649,631</b>     |
| Distribution and selling expenses  | (2,092,806)               | (1,524,238)          |
| General and administrative expenses  | (965,350)                 | (1,262,939)          |
| Other operating income/ (expenses), net  | 74,500                    | 402,195              |
| <b>Operating profit</b>  | <b>(573,720)</b>          | <b>1,264,649</b>     |
| Interest expense   | (840,340)                 | (1,311,120)          |
| Interest income  | 1,134,058                 | 956,599              |
| Net gain/ (loss) from bonds held for trading   | (7,842)                   | -                    |
| Other financial income/ (expenses), net  | (35,925)                  | (856,386)            |
| Share of results of associates   | 3,407                     | 2,399                |
| <b>Profit / (loss) before income tax</b>   | <b>(320,362)</b>          | <b>56,140</b>        |
| Income tax expense   | (23,321)                  | 311,038              |
| <b>Profit / (loss) for the year</b>  | <b>(343,683)</b>          | <b>367,178</b>       |
| <b>Other comprehensive income / (loss):</b>  |                           |                      |
| <b>Items that may be subsequently reclassified to profit and loss:</b>   |                           |                      |
| Change in value of available-for-sale financial assets   | (154,082)                 | (16,319)             |
| Income tax relating to other comprehensive income  | 30,816                    | 3,264                |
| <b>Total comprehensive income / (loss) for the period</b>  | <b>(466,949)</b>          | <b>354,123</b>       |
| <b>Profit / (loss) is attributable to:</b>   |                           |                      |
| Owners of ROS AGRO PLC   | (277,585)                 | 364,372              |
| Non-controlling interest   | (66,098)                  | 2,806                |
| <b>Profit for the period</b>   | <b>(343,683)</b>          | <b>367,178</b>       |
| <b>Total comprehensive income / (loss) is attributable to:</b>   |                           |                      |
| Owners of ROS AGRO PLC   | (400,851)                 | 351,317              |
| Non-controlling interest   | (66,098)                  | 2,806                |
| <b>Total comprehensive income / (loss) for the period</b>  | <b>(466,949)</b>          | <b>354,123</b>       |
| Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share) | (10.31)                   | 15.47                |

**Appendix 2. Unaudited segment information for the three months ended 31 March 2017 (in RR thousand)**

| <b>Three months ended 31 March 2017</b>                                       | <b>Sugar</b>     | <b>Meat</b>      | <b>Agriculture</b> | <b>Oil and Fat</b> | <b>Other</b>     | <b>Eliminations</b> | <b>Total</b>       |
|---|------------------|------------------|--------------------|--------------------|------------------|---------------------|--------------------|
| Sales   | 7,409,816        | 4,731,769        | 3,669,637          | 4,367,900          | 15,959           | (1,415,574)         | 18,779,507         |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | -                | (335,776)        | (1,145,935)        | -                  | -                | (486,598)           | (1,968,309)        |
| Cost of sales   | (6,011,546)      | (3,774,823)      | (2,563,555)        | (3,699,326)        | -                | 1,652,528           | (14,396,722)       |
| <i>incl. depreciation</i>   | <i>(418,452)</i> | <i>(469,239)</i> | <i>(324,907)</i>   | <i>(97,679)</i>    | -                | <i>(1,334)</i>      | <i>(1,311,611)</i> |
| Net gain/ (loss) from trading derivatives                                     | (4,540)          | -                | -                  | -                  | -                | -                   | (4,540)            |
| <b>Gross profit / (loss)</b>  | <b>1,393,730</b> | <b>621,170</b>   | <b>(39,853)</b>    | <b>668,574</b>     | <b>15,959</b>    | <b>(249,644)</b>    | <b>2,409,936</b>   |
| Distribution and Selling, General and administrative expenses                 | (1,105,941)      | (106,906)        | (1,078,490)        | (857,723)          | (164,465)        | 255,369             | (3,058,156)        |
| <i>incl. depreciation</i>   | <i>(28,039)</i>  | <i>(11,734)</i>  | <i>(10,089)</i>    | <i>(32,376)</i>    | <i>(12,256)</i>  | <i>1,334</i>        | <i>(93,160)</i>    |
| Other operating income/(expenses), net  | (76,737)         | 70,416           | 28,567             | 32,840             | 5,651,448        | (5,632,034)         | 74,500             |
| <i>incl. reimbursement of operating costs (government grants)</i>             | <i>-</i>         | <i>-</i>         | <i>-</i>           | <i>-</i>           | <i>-</i>         | <i>-</i>            | <i>-</i>           |
| <b>Operating profit / (loss)</b>  | <b>211,052</b>   | <b>584,680</b>   | <b>(1,089,776)</b> | <b>(156,309)</b>   | <b>5,502,942</b> | <b>(5,626,309)</b>  | <b>(573,720)</b>   |
| <b>Adjustments:</b>   |                  |                  |                    |                    |                  |                     |                    |
| Depreciation included in Operating Profit                                     | 446,490          | 480,972          | 334,996            | 130,055            | 12,256           | -                   | 1,404,769          |
| Other operating (income) /expenses, net                                       | 76,737           | (70,416)         | (28,567)           | (32,840)           | (5,651,448)      | 5,632,034           | (74,500)           |
| Reimbursement of operating costs (government grants)                          | -                | -                | -                  | -                  | -                | -                   | -                  |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | -                | 335,776          | 1,145,935          | -                  | -                | 486,598             | 1,968,309          |
| <b>Adjusted EBITDA*</b>   | <b>734,279</b>   | <b>1,331,012</b> | <b>362,588</b>     | <b>(59,094)</b>    | <b>(136,250)</b> | <b>492,323</b>      | <b>2,724,858</b>   |

\* Non-IFRS measure

**Appendix 2 (continued). Unaudited segment information for the three months ended 31 March 2016 (in RR thousand)**

| <b>Three months ended 31 March 2016</b>                                       | <b>Sugar</b>     | <b>Meat</b>      | <b>Agriculture</b> | <b>Oil and Fat</b> | <b>Other</b>     | <b>Eliminations</b> | <b>Total</b>     |
|---|------------------|------------------|--------------------|--------------------|------------------|---------------------|------------------|
| Sales   | 5,876,842        | 3,614,607        | 3,361,952          | 5,747,303          | 17,796           | (880,737)           | 17,737,764       |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | -                | (1,012,988)      | (1,049,194)        | -                  | -                | (732,917)           | (2,795,100)      |
| Cost of sales   | (3,389,085)      | (3,375,019)      | (1,757,756)        | (4,674,653)        | -                | 1,607,022           | (11,589,490)     |
| <i>incl. depreciation</i>   | <i>(160,744)</i> | <i>(386,584)</i> | <i>(201,386)</i>   | <i>(54,345)</i>    | -                | <i>(33,345)</i>     | <i>(836,404)</i> |
| Net gain/ (loss) from trading derivatives                                     | 295,737          | -                | 720                | -                  | -                | -                   | 296,457          |
| <b>Gross profit / (loss)</b>  | <b>2,783,495</b> | <b>(773,400)</b> | <b>555,721</b>     | <b>1,072,651</b>   | <b>17,796</b>    | <b>(6,632)</b>      | <b>3,649,631</b> |
| Distribution and Selling, General and administrative expenses                 | (660,759)        | (182,246)        | (435,421)          | (947,404)          | (625,630)        | 64,282              | (2,787,177)      |
| <i>incl. depreciation</i>   | <i>(31,249)</i>  | <i>(8,982)</i>   | <i>(32,876)</i>    | <i>(33,994)</i>    | <i>(9,739)</i>   | <i>4,382</i>        | <i>(112,458)</i> |
| Other operating income/(expenses), net  | (28,528)         | 174,366          | 150,544            | 60,722             | 3,712,655        | (3,667,564)         | 402,195          |
| <i>incl. reimbursement of operating costs (government grants)</i>             | <i>-</i>         | <i>98,000</i>    | <i>158,980</i>     | <i>-</i>           | <i>-</i>         | <i>-</i>            | <i>256,980</i>   |
| <b>Operating profit / (loss)</b>  | <b>2,094,208</b> | <b>(781,279)</b> | <b>270,844</b>     | <b>185,969</b>     | <b>3,104,821</b> | <b>(3,609,914)</b>  | <b>1,264,649</b> |
| <b>Adjustments:</b>   |                  |                  |                    |                    |                  |                     |                  |
| Depreciation included in Operating Profit                                     | 191,992          | 395,566          | 234,262            | 88,339             | 9,739            | 28,963              | 948,861          |
| Other operating (income) /expenses, net                                       | 28,528           | (174,366)        | (150,544)          | (60,722)           | (3,712,655)      | 3,667,564           | (402,195)        |
| Reimbursement of operating costs (government grants)                          | -                | 98,000           | 158,980            | -                  | -                | -                   | 256,980          |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | -                | 1,012,988        | 1,049,194          | -                  | -                | 732,917             | 2,795,100        |
| <b>Adjusted EBITDA*</b>   | <b>2,314,728</b> | <b>550,909</b>   | <b>1,562,736</b>   | <b>213,586</b>     | <b>(598,095)</b> | <b>819,531</b>      | <b>4,863,395</b> |

\* Non-IFRS measure

**Appendix 3. Unaudited consolidated statement of financial position as at 31 March 2017 (in RR thousand)**

|  | <u>31 March 2017</u> | <u>31 December 2016</u> |
|--|----------------------|-------------------------|
| <b>ASSETS</b>  |                      |                         |
| <b>Current assets</b>                                |                      |                         |
| Cash and cash equivalents                            | 16,396,825           | 6,751,712               |
| Restricted cash                                      | 37                   | 39                      |
| Short-term investments                               | 5,772,795            | 17,230,012              |
| Trade and other receivables                          | 3,344,506            | 4,607,634               |
| Prepayments  | 793,237              | 746,886                 |
| Current income tax receivable                        | 91,332               | 97,461                  |
| Other taxes receivable                               | 2,251,453            | 3,663,194               |
| Inventories  | 25,864,973           | 29,538,204              |
| Short-term biological assets                         | 4,390,677            | 4,696,957               |
| <b>Total current assets</b>                          | <b>58,905,835</b>    | <b>67,332,099</b>       |
| <b>Non-current assets</b>                            |                      |                         |
| Property, plant and equipment                        | 46,597,459           | 45,662,146              |
| Inventories intended for construction                | 49,450               | 38,963                  |
| Goodwill   | 2,333,696            | 2,225,304               |
| Advances paid for property, plant and equipment      | 13,347,182           | 14,172,240              |
| Long-term biological assets                          | 1,666,001            | 1,745,467               |
| Long-term investments                                | 17,641,133           | 17,751,740              |
| Investments in associates                            | 113,911              | 110,504                 |
| Deferred income tax assets                           | 2,090,964            | 1,935,298               |
| Other intangible assets                              | 1,978,913            | 1,999,209               |
| Restricted cash                                      | 3,584                | -                       |
| <b>Total non-current assets</b>                      | <b>85,822,293</b>    | <b>85,640,871</b>       |
| <b>Total assets</b>                                  | <b>144,728,128</b>   | <b>152,972,970</b>      |
| <b>LIABILITIES AND EQUITY</b>                        |                      |                         |
| <b>Current liabilities</b>                           |                      |                         |
| Short-term borrowings                                | 6,645,725            | 11,704,276              |
| Trade and other payables                             | 6,327,623            | 6,988,905               |
| Current income tax payable                           | 89,507               | 99,450                  |
| Other taxes payable                                  | 3,194,944            | 3,814,278               |
| <b>Total current liabilities</b>                     | <b>16,257,799</b>    | <b>22,606,909</b>       |
| <b>Non-current liabilities</b>                       |                      |                         |
| Long-term borrowings                                 | 31,203,869           | 32,798,240              |
| Government grants                                    | 3,947,326            | 3,712,593               |
| Deferred income tax liability                        | 539,534              | 535,514                 |
| <b>Total non-current liabilities</b>                 | <b>35,690,729</b>    | <b>37,046,347</b>       |
| <b>Total liabilities</b>                             | <b>51,948,528</b>    | <b>59,653,256</b>       |
| <b>Equity</b>  |                      |                         |
| Share capital  | 12,269               | 12,269                  |
| Treasury shares                                      | (492,926)            | (499,590)               |
| Share premium  | 26,964,480           | 26,964,479              |
| Share-based payment reserve                          | 1,058,172            | 1,181,437               |
| Retained earnings                                    | 65,100,303           | 65,420,978              |
| <b>Equity attributable to owners of ROS AGRO PLC</b> | <b>92,642,298</b>    | <b>93,079,573</b>       |
| Non-controlling interest                             | 137,302              | 240,141                 |
| <b>Total equity</b>                                  | <b>92,779,600</b>    | <b>93,319,714</b>       |
| <b>Total liabilities and equity</b>                  | <b>144,728,128</b>   | <b>152,972,970</b>      |

**Appendix 4. Unaudited consolidated statement of cash flows for the three months ended 31 March 2017 according to the Group's management accounts (in RR thousand) – NOT IFRS PRESENTATION**

|   | Three months ended |                    |
|---|--------------------|--------------------|
|   | 31 March 2017      | 31 March 2016      |
| <b>Cash flows from operating activities</b>   |                    |                    |
| Profit before income tax  | (320,362)          | 56,141             |
| <i>Adjustments for:</i>   |                    |                    |
| Depreciation and amortization   | 1,726,929          | 948,861            |
| Interest expense  | 859,204            | 1,419,856          |
| Government grants   | (123,421)          | (435,327)          |
| Interest income   | (1,134,058)        | (956,599)          |
| Loss/ (gain) on disposal of property, plant and equipment                             | 78,428             | (4,606)            |
| Net loss on revaluation of biological assets and agricultural produce                 | 1,734,844          | 2,795,100          |
| Change in provision for net realisable value of inventory                             | (9,364)            | 25,909             |
| Share of results of associates  | (3,407)            | (2,399)            |
| Change in provision for impairment of receivables and prepayments                     | 20,350             | 22,597             |
| Foreign exchange (gain) / loss, net   | 2,013              | 871,987            |
| Net loss from bonds held for trading  | 7,842              | -                  |
| Settlement of loans and accounts receivable previously written-off                    | (39,902)           | (124,405)          |
| Change in provision for impairment of other taxes receivables                         | -                  | (259,953)          |
| Change in provision for impairment of advances paid for property, plant and equipment | 3,525              | 5,078              |
| Loss on other investments   | -                  | (3,463)            |
| Other non-cash and non-operating (income) / expenses, net                             | 1,272              | (220,515)          |
| <b>Operating cash flow before working capital changes</b>                             | <b>2,803,893</b>   | <b>4,138,262</b>   |
| Change in trade and other receivables and prepayments                                 | 1,153,533          | (615,659)          |
| Change in other taxes receivable  | 2,134,381          | (217,037)          |
| Change in inventories   | 2,395,165          | (2,015,293)        |
| Change in biological assets   | 43,648             | (412,534)          |
| Change in trade and other payables  | (649,227)          | 840,180            |
| Change in other taxes payable   | (611,793)          | (376,880)          |
| <b>Cash generated from operations</b>   | <b>7,269,599</b>   | <b>1,341,039</b>   |
| Income tax paid   | (156,476)          | (484,981)          |
| <b>Net cash from operating activities</b>   | <b>7,113,123</b>   | <b>856,058</b>     |
| <b>Cash flows from investing activities</b>   |                    |                    |
| Purchases of property, plant and equipment  | (2,875,175)        | (1,151,493)        |
| Purchases of other intangible assets  | (40,446)           | (34,073)           |
| Proceeds from sales of property, plant and equipment                                  | 15,576             | 12,595             |
| Purchases of inventories intended for construction                                    | (25,601)           | (4,481)            |
| Investments in subsidiaries, net of cash acquired                                     | 79,426             | (113,542)          |
| Movement in restricted cash   | (4,187)            | (18,520)           |
| <b>Net cash from investing activities</b>   | <b>(2,850,407)</b> | <b>(1,309,514)</b> |
| <b>Cash flows from financing activities</b>   |                    |                    |
| Proceeds from borrowings  | 2,031,124          | 11,291,339         |
| Repayment of borrowings   | (8,731,966)        | (14,765,861)       |
| Interest paid   | (745,627)          | (1,116,910)        |
| Change in cash on bank deposits*  | 12,404,999         | 1,494,429          |
| Loans given*  | (7)                | (61,647)           |
| Loans repaid*   | 343,302            | 2,521,860          |
| Interest received*  | 877,661            | 371,048            |
| Proceeds from government grants   | 358,154            | 476,633            |
| Purchases of non-controlling interest   | (50,206)           | -                  |
| Proceeds from sales of treasury shares  | 6,664              | -                  |
| Other financial activities  | (4,625)            | (785)              |
| <b>Net cash from financing activities</b>   | <b>6,489,474</b>   | <b>210,106</b>     |
| Net effect of exchange rate changes on cash and cash equivalents                      | (96,560)           | (411,808)          |
| <b>Net increase/ (decrease) in cash and cash equivalents</b>                          | <b>10,655,630</b>  | <b>(655,158)</b>   |
| Cash and cash equivalents at the beginning of the period                              | 6,751,712          | 4,401,703          |
| <b>Cash and cash equivalents at the end of the period</b>                             | <b>17,407,342</b>  | <b>3,746,546</b>   |

*(\*) For the purpose of conformity with the methodology of the Group's net debt calculation, investments in financial assets related to financial activities are presented in Cash flows from financing activities in the Group's management accounts.*