



14 August 2020

ROS AGRO financial results for 1H 2020 and 2Q 2020

14 August 2020 – 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 six months ended 30 June 2020.

1H 2020 Highlights

- Sales amounted to RR 71,236 million (US\$ 1,027 million¹), an increase of RR 5,916 million (+9%) compared to 1H 2019;
- Adjusted EBITDA² amounted to RR 12,125 million (US\$ 175 million), an increase of RR 4,344 million (+56%) compared to 1H 2019;
- Adjusted EBITDA margin rose from 12% in 1H 2019 to 17% in 1H 2020;
- Net profit for the period amounted to RR 8,000 million (US\$ 115 million), an increase of RR 5,432 million (+212%);
- Net debt position³ as of 30 June 2020 amounted to RR 51,620 million (US\$ 738 million);
- Net Debt/ Adjusted EBITDA (LTM⁴) as of 30 June 2020 was 2.17x.

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

“Q2 2020 showed good results as sales and adjusted EBITDA of the Group continued to improve. Sales of Oil and Fat and Meat Segments increased significantly as the result of higher sales volumes of oil-and-fat products due to the lease of SolPro assets and increased sales volumes of processed pork due to production expansion in Tambov Region. Sugar and Agricultural Segments experienced decrease in sales mainly due to sugar sales price drop and management decision to postpone sales of sugar, wheat, barley and soybean from the beginning of 2019 towards 2Q 2019.

Margins of Oil and Fat and Sugar Segments contributed the most to Group’s adjusted EBITDA margin improvement. High margin was drawn from SolPro product sales, while it remained at SolPro entities in 1H 2019 under the tolling scheme. Sugar Segment benefited from the significant decrease of sugar beet purchase prices as well as the launch of second line of desugarisation, which increased volumes of higher margin sugar produced out of molasses. Meat and Agricultural Segments’ margins remained rather flat.

In 1H 2020 Company operated in the world pandemic environment, which had two key effects. The first one was the growth of demand for consumer products, and the second one was ruble devaluation as a result of oil price drop.

Despite several identified cases among employees, travel and logistical disruptions, government restrictions Ros Agro managed to operate all plants and construction plants at high capacity and prepare for planting well. The company implemented new production protocols, improved liquidity position and supported the medical infrastructure of the main regions of operation.”

Key consolidated financial performance indicators

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Sales ¹	71,236	65,320 ²	5,916	9	38,302	37,350	952	3
Gross profit	15,416	9,143	6,273	69	8,251	4,677	3,574	76
<i>Gross margin, %</i>	<i>22%</i>	<i>14%</i>	<i>8 pp</i>		<i>22%</i>	<i>13%</i>	<i>9 pp</i>	
Adjusted EBITDA ³	12,125	7,781 ⁴	4,344	56	6,963	3,825	3,138	82
<i>Adjusted EBITDA margin, %</i>	<i>17%</i>	<i>12%</i>	<i>5 pp</i>		<i>18%</i>	<i>10%</i>	<i>8 pp</i>	
Net profit for the period ⁵	8,000	2,568	5,432	212	4 802	915	3,887	425
<i>Net profit margin %</i>	<i>11%</i>	<i>4%</i>	<i>7 pp</i>		<i>13%</i>	<i>2%</i>	<i>11 pp</i>	

¹ Sales for Agriculture segment were allocated between 1Q19 and 2Q19, effect RR -503 million for 1Q19 and RR +503 million for 2Q19

² Sales and COS for 1H19 related to Oil & Fats (RR 7,396 million) and Other (RR 457 million) have been netted versus each other with no effect on Gross profit in accordance with p. 17(a) and 17(b) of IFRS15

³ Adjusted EBITDA calculation now also includes other operating income/(expenses), while other non-operating expenses are excluded, effect for 1H19 RR -449 million; Cost of Sales for Agriculture segment were allocated between 1Q19 and 2Q19, effect RR +685 million for 1Q19 and RR -685 million for 2Q19 in terms of EBITDA

⁴ Adjusted EBITDA for 2Q19 was decreased by RR 311 million due to revaluation procedure, performed at the year end

⁵ 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

Key financial performance indicators by segments

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Sales, incl.	71,236	65,320	5,916	9	38,302	37,350	952	3
<i>Sugar</i>	14,269	15,674	(1,405)	(9)	9,028	11,149	(2,121)	(19)
<i>Meat</i>	14,079	11,169	2,910	26	7,270	5,983	1,287	22
<i>Agriculture</i>	7,670	9,157	(1,487)	(16)	3,246	4,282	(1,036)	(24)
<i>Oil and Fat</i>	34,444	28,941	5,503	19	18,297	15,519	2,778	18
<i>Dairy Products</i>	1,819	1,832	(13)	(1)	829	969	(140)	(14)
<i>Other</i>	289	156	133	85	170	110	60	55
<i>Eliminations</i>	(1,334)	(1,609)	275	17	(538)	(662)	124	19
Gross profit, incl.	15,415	9,142	6,273	69	8,250	4,678	3,572	76
<i>Sugar</i>	3,882	2,837	1,045	37	2,666	1,589	1,077	68
<i>Meat</i>	2,517	1,432	1,085	76	1,201	1,279	(78)	(6)
<i>Agriculture</i>	1,813	1,271	542	43	683	315	368	117
<i>Oil and Fat</i>	6,865	3,044	3,821	126	3,490	1,607	1,883	117
<i>Dairy Products</i>	213	150	63	42	94	86	8	9
<i>Other</i>	43	114	(71)	(62)	38	108	(70)	(65)
<i>Eliminations</i>	82	294	(212)	(72)	78	(306)	384	-
Adjusted EBITDA,	12,125	7,781	4,344	56	6,963	3,825	3,138	82
<i>Sugar</i>	3,554	2,302	1,252	54	2,533	1,283	1,250	97
<i>Meat</i>	2,690	1,973	717	36	1,523	1,287	236	18
<i>Agriculture</i>	2,104	2,597	(493)	(19)	786	1,024	(238)	(23)
<i>Oil and Fat</i>	4,350	406	3,944	971	2,338	103	2,235	2,170
<i>Dairy Products</i>	(18)	1	(19)	-	(14)	9	(23)	-
<i>Other</i>	(615)	(813)	198	24	(216)	(164)	(52)	(32)
<i>Eliminations</i>	60	1,315	(1,255)	(95)	13	283	(270)	(95)
Adjusted EBITDA margin, %	17%	12%	5 pp		18%	10%	6%	
<i>Sugar</i>	25%	15%	10 pp		28%	12%	16 pp	
<i>Meat</i>	19%	18%	1 pp		21%	22%	(1) pp	
<i>Agriculture</i>	27%	28%	(1) pp		24%	24%	0 pp	
<i>Oil and Fat</i>	13%	1%	12 pp		13%	1%	12 pp	
<i>Dairy Products</i>	(1)%	0%	(1) pp		(2)%	1%	(3) pp	

Sugar Segment

The financial results of the Sugar Segment of 1H20 and 2Q20 compared to 1H19 and 2Q19 respectively are presented in the table below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Sales	14,269	15,674	(1,405)	(9)	9,028	11,149	(2,121)	(19)
Cost of sales	(10,398)	(12,831)	2,433	19	(6,373)	(9,557)	3,184	33
Net gain/ (loss) from trading derivatives	11	(6)	17	-	11	(3)	14	-
Gross profit	3,882	2,837	1,045	37	2,666	1,589	1,077	68
<i>Gross profit margin</i>	<i>27%</i>	<i>18%</i>	<i>9 pp</i>		<i>30%</i>	<i>14%</i>	<i>16 pp</i>	
Distribution and selling expenses	(1,091)	(841)	(250)	(30)	(580)	(466)	(114)	(24)
General and administrative expenses	(686)	(723)	37	5	(337)	(358)	21	6
Other operating income/ (expenses), net	95	17	78	459	75	16	59	367
Other non-operating income/ (expenses), net	468	406	62	15	415	347	68	20
Operating profit	2,668	1,696	972	57	2,239	1,128	1,111	98
Adjusted EBITDA	3,554	2,302	1,252	54	2,533	1,283	1,250	97
<i>Adjusted EBITDA margin</i>	<i>25%</i>	<i>15%</i>	<i>10 pp</i>		<i>28%</i>	<i>12%</i>	<i>16 pp</i>	

Sales decreased in 1H20 compared to 1H19 mainly due to sale price drop of 18% compensated by sales volumes increase of 3%. The decrease of selling prices was caused by sugar overproduction in Russia. However, in comparison to 4Q19 the sale price showed increase of 20% in 1H20 as a result of demand growth triggered by the implications of the COVID-19 pandemic, which also led to sales volumes increase. Quarterly sales volumes decreased in 2Q20 compared to 2Q19 due to management decision to postpone sales from 1Q19 to 2Q19 with expectation of prices growth. Sugar sales decrease was partially compensated by the sugar pulp sales growth of RR 635 million in 1H20 compared to 1H19 and of RR 388 million in 2Q20 compared to 2Q19.

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

	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Sugar production volume (thousand tonnes)	109	27	82	304	52	9	43	464
Sales volume (thousand tonnes)	466	453	13	3	297	348	(51)	(15)
Average sales price (rubles per kg, excl. VAT)	26.2	31.8	(5.6)	(18)	26.9	30.3	(3.4)	(11)

Cost of sales in 1H20 showed in comparison to 1H19 a higher decrease than Sales mainly due to the significant drop of sugar beet purchase prices by 36% when seasons 2019/2020 and 2018/2019 are compared. The launch of second line of desugarization at the end of 2019 led to increase of high-margin sugar produced out of molasses and therefore additional Cost of sales decrease.

Meat Segment

The financial results of the Meat Segment of 1H20 and 2Q20 compared to 1H19 and 2Q19 respectively are presented in the table below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Sales	14,079	11,169	2,910	26	7,270	5,983	1,287	22
Net gain/ (loss) on revaluation of biological assets and agricultural produce	320	(256)	576	-	(108)	103	(211)	-
Cost of sales	(11,882)	(9,481)	(2,401)	(25)	(5,961)	(4,807)	(1,154)	(24)
Gross profit	2,517	1,432	1,085	76	1,201	1,279	(78)	(6)
<i>Gross profit margin</i>	<i>18%</i>	<i>13%</i>	<i>5 pp</i>		<i>17%</i>	<i>21%</i>	<i>(4) pp</i>	
<i>Gross profit excl. effect of biological assets revaluation</i>	2,197	1,688	509	30	1,309	1,176	133	11
<i>Adjusted gross profit margin</i>	<i>16%</i>	<i>15%</i>	<i>1 pp</i>		<i>18%</i>	<i>20%</i>	<i>(2) pp</i>	
Distribution and selling expenses	(559)	(368)	(191)	(52)	(354)	(211)	(143)	(68)
General and administrative expenses	(781)	(598)	(183)	(31)	(322)	(212)	(110)	(52)
Other operating income/ (expenses), net incl. reimbursement of operating costs	51	(83)	134	-	(23)	(76)	53	70
Other non-operating income/ (expenses), net incl. reimbursement of non-operating costs (government grants)	204	125	79	63	135	66	69	104
Operating profit	1,432	510	922	181	637	848	(211)	(25)
Adjusted EBITDA	2,690	1,973	717	36	1,523	1,287	236	18
<i>Adjusted EBITDA margin</i>	<i>19%</i>	<i>18%</i>	<i>1 pp</i>		<i>21%</i>	<i>22%</i>	<i>(1) pp</i>	

Sales of the Meat Segment increased by 26% in 1H20 and by 22% in 2Q20 compared to the respective periods of the prior year because of increase in production volumes of pork mainly due to launch of 3rd stage of Tambov Bacon in 3Q19. Sales volumes increase was partly compensated by decrease in sales price of livestock pigs and processed pork by 5% and 6% respectively, due to continuous domestic production growth and, thus, increased competition.

Cost of sales increased by 25% due to higher volumes of livestock pigs transferred to meat processing.

Net gain on revaluation of biological assets and agricultural produce in 1H20 resulted mainly from an increase in market prices for livestock pigs during the period compared to market prices at the end 2019 and respective increase in fair value of livestock in the closing balance. There was a decrease of net gain on revaluation of biological assets and agricultural produce in 2Q20 as a result of culling pigs from the reproductive herd for fattening and respective reflecting the effect of their revaluation.

An increase in Distribution and selling expenses in 1H20 and 2Q20 compared to the same prior year periods due to the rise in the costs of marketing activities.

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

	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Sales volume (thousand tonnes), incl.	116	86	30	35	59	45	14	31
livestock pigs	11	8	3	38	6	4	2	46
processed pork	105	78	27	35	53	41	12	28
Average sale prices (rubles per kg, excl. VAT):								
livestock pigs	69.2	73.2	(4)	(5)	71.4	76.1	(5)	(8)
processed pork	126.6	134.8	(8.2)	(6)	129.0	136.4	(7.4)	(5)

An increase in *General and administrative expenses* in 1H20 compared to prior year period related to expenses of farms in construction.

An increase in *Other operating income* in 1H20 compared to the same prior year period is due to the launch of the grain elevator in Primorie.

Agricultural Segment

As at 30 June 2020 Group's area of controlled land stands at 642 thousand hectares (30 June 2019: 648 thousand hectares). The financial results of the Agricultural Segment of 1H20 and 2Q20 compared to 1H19 and 2Q19 respectively are presented below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Sales	7,670	9,157	(1,487)	(16)	3,246	4,282	(1,036)	(24)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	(1,006)	(2,795)	1,789	64	(560)	(1,392)	832	60
Cost of sales	(4,850)	(5,090)	240	5	(2,003)	(2,575)	572	22
Net gain/ (loss) from trading derivatives	-	-	-	-	-	-	-	-
Gross profit	1,814	1,272	542	43	683	315	368	117
<i>Gross profit margin</i>	<i>24%</i>	<i>14%</i>	<i>10 pp</i>		<i>21%</i>	<i>7%</i>	<i>14 pp</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	2,820	4,067	(1,247)	(31)	1,243	1,707	(464)	(27)
<i>Adjusted gross profit margin</i>	<i>37%</i>	<i>44%</i>	<i>(7) pp</i>		<i>38%</i>	<i>40%</i>	<i>(2) pp</i>	
Distribution and selling expenses	(978)	(1,592)	614	39	(498)	(700)	202	29
General and administrative expenses	(619)	(591)	(28)	(5)	(304)	(319)	15	5
Other operating income/ (expenses), net	(76)	(65)	(11)	(17)	(44)	(78)	34	44
<i>incl. reimbursement of operating costs (government grants)</i>	61	72	(11)	(15)	61	36	25	69
Other non-operating income/ (expenses), net	115	(43)	158	-	57	8	49	618
<i>incl. reimbursement of non-operating costs (government grants)</i>	-	-	-	-	-	-	-	-
Operating profit	256	(1,019)	1,275	-	(105)	(774)	669	86
Adjusted EBITDA	2,105	2,597	(492)	(19)	787	1,024	(237)	(23)
<i>Adjusted EBITDA margin</i>	<i>27%</i>	<i>28%</i>	<i>(1) pp</i>		<i>24%</i>	<i>24%</i>	<i>- pp</i>	

Sales in 1H20 vs 1H19 decreased due to lower sales volumes of wheat, barley and corn and lower sales prices of wheat and barley. Higher soybean volumes were sold in 1H20 mainly during 1Q20. Increased volumes of export sales were supported by higher export prices due to the devaluation of the ruble in March.

Lower Sales in 2Q20 compared to 2Q19 were affected by management decision in 2018 to push sales timing towards 2Q19.

Sales volumes by product were as follows:

Thousand tonnes	Six months ended		Variance		Three months ended		Variance	
	30 June	30 June	Units	%	30 June	30 June	Units	%
	2020	2019			2020	2019		
wheat	82	262	(180)	(69)	36	83	(47)	(57)
barley	51	121	(70)	(58)	28	72	(44)	(61)
corn	67	125	(58)	(46)	59	40	19	47
sunflower seeds	18	8	10	125	1	8	(7)	(84)
soybean	179	130	49	38	57	91	(34)	(37)

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

RR per kilogram, excl. VAT	Six months ended		Variance		Three months ended		Variance	
	30 June	30 June	Units	%	30 June	30 June	Units	%
	2020	2019			2020	2019		
wheat	11.2	12.8	(1.6)	(13)	11.6	12.9	(1.3)	(10)
barley	9.7	11.2	(1.5)	(13)	9.5	11.0	(1.5)	(14)
corn	14.8	12.6	2.2	17	15.0	12.6	2.4	20
sunflower seeds	20.1	18.8	1.3	7	22.8	18.8	4.0	21
soybean	25.5	20.3	5.2	26	26.9	19.2	7.7	40

Net loss on revaluation of biological assets and agricultural produce in 1H20 and 2Q20 vs 2019 figures represents the realisation of gain from crops revaluation, recognised in the previous year financial statements and remained unrealised as at the year-end.

Net gain/ (loss) on revaluation of crops and its subsequent realisation do not affect the adjusted EBITDA figure.

Distribution and selling expenses decreased in 1H20 and 2Q20 vs 2019 figures as significantly lower volumes of crops were sold in the current year.

Other non-operating income/(expenses),net include result from PPE disposal and foreign exchange.

In 2Q20 *Other non-operating income* increased by RR 49 million compared to 2Q19 mainly as a result of higher foreign exchange gain.

Oil and Fat Segment

The financial results of the Oil and Fat Segment for 1H20 and 2Q20 compared to 1H19 and 2Q19 respectively are presented below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Sales	34,444	28,941	5,503	19	18,297	15,519	2,778	18
Cost of sales	(27,579)	(25,897)	(1,682)	(6)	(14,807)	(13,912)	(895)	(6)
Gross profit	6,865	3,044	3,821	126	3,490	1,607	1,883	117
<i>Gross profit margin</i>	<i>20%</i>	<i>11%</i>	<i>9 pp</i>		<i>19%</i>	<i>10%</i>	<i>9 pp</i>	
Distribution and selling expenses	(1,808)	(2,017)	209	10	(844)	(1,070)	226	21
General and administrative expenses	(985)	(742)	(243)	(33)	(456)	(422)	(34)	(8)
Other operating income/ (expenses). net	(34)	(190)	156	82	(10)	(179)	169	94
Other non-operating income/ (expenses). net	(176)	(19)	(157)	(826)	(238)	(12)	(226)	(1,883)
Operating profit/ (loss)	3,862	76	3,786	4,982	1,943	(76)	2,019	-
Adjusted EBITDA	4,350	406	3,944	971	2,338	103	2,234	2,148
<i>Adjusted EBITDA margin</i>	<i>13%</i>	<i>1%</i>	<i>12 pp</i>		<i>13%</i>	<i>1%</i>	<i>12 pp</i>	

Sales volumes to third parties by product were as follows:

thousand tonnes	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
mayonnaise	64	57	7	12	33	37	(4)	(10)
margarine	20	19	1	5	10	10	0	1
bottled oil	83	67	16	24	47	36	11	32
industrial fats	134	91	43	47	57	62	(5)	(7)
bulk oil	216	207	9	4	115	96	19	20
meal	317	333	(16)	(5)	155	168	(13)	(8)

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

RR per kilogram, excl. VAT	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
mayonnaise	83.1	79.9	3.2	4	85.4	80.2	5.2	7
margarine	83.3	81.0	2.3	3	86.2	80.7	5.5	7
bottled oil	58.7	53.6	5.1	10	61.6	52.7	8.9	17
industrial fats	54.9	49.7	5.2	10	57.2	48.9	8.3	17
bulk oil	47.4	43.8	3.6	8	48.7	44.4	4.3	10
meal	13.4	14.9	(1.5)	(10)	14.5	14.1	0.4	3

Sales increased as a result of increased capacity rented from SolPro (since 3Q19), and, as a result, higher sales volumes of industrial fats, supported by regained market share in 2H19, and higher sales volumes mayonnaise, while SolPro continued to sell own products in 1H19. At the same time, EBITDA margin increased to 13% in 1H20 as in 1H19 all sales have been transferred to Rusagro, while profit remained on SolPro entities and has been further withdrawn through interest income reflected in Other segment below EBITDA. Starting from July 2019 all the SolPro plants

are rented by Rusagro and margin is reflected in Rusagro EBITDA. EBITDA margin has increased by 12 pp in 1H20 compared to 1H19.

Increase in *General and administrative expenses* by RR 243 million in 1H20 and by RR 34 million in 2Q20 compared to the prior period is attributed to higher number of employees in administrative function in Oil and Fat segment.

Decrease in *Other operating expenses* by RR 156 million in 1H20 and by RR 169 million in 2Q20 was mainly write-off of RR 175 million as result of sunflower technological losses in 2Q19.

Increase in *Other non-operating expenses* by RR 182 million in 1H20 was caused by a change in the exchange rate.

Dairy Products Segment

The financial results of the Dairy Products Segment for 1H20 and 2Q20 compared to 1H19 and 2Q19 respectively are presented in the table below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Sales	1,819	1,832	(13)	(1)	829	969	(140)	(15)
Cost of sales	(1,606)	(1,682)	76	5	(735)	(883)	148	17
Gross profit	213	150	63	42	94	86	8	9
<i>Gross profit margin</i>	<i>12%</i>	<i>8%</i>	<i>4 pp</i>		<i>11%</i>	<i>9%</i>	<i>2 pp</i>	
Distribution and selling expenses	(126)	(74)	(52)	(70)	(68)	(32)	(36)	(113)
General and administrative expenses	(77)	(73)	(4)	(5)	(41)	(46)	6	12
Other operating income/ (expenses). net	(30)	-	(30)	-	(1)	-	(1)	-
Other non-operating income/ (expenses). net	(1)	(2)	1	50	1	(1)	2	-
Operating profit	(21)	1	(22)	-	(14)	7	(21)	-
Adjusted EBITDA	(18)	1	(19)	-	(14)	9	(23)	-
<i>Adjusted EBITDA margin</i>	<i>(1)%</i>	<i>0%</i>	<i>(1) pp</i>		<i>(2)%</i>	<i>1%</i>	<i>(3) pp</i>	

Group is now focusing on entering the retail chains with a consumer product, developing brands and increasing sales profitability.

Sales volumes by product were as follows:

Thousand tonnes	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
cheese and cheese product	4	4	-	-	2	2	-	(3)
butter and spread	0	1	(1)	-	0	1	(1)	(69)
dry mixes	7	7	-	-	3	4	(1)	(19)
cream	2	0	2	-	1	0	1	-

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

RR per kilogram, excl. VAT	Six months ended		Variance		Three months ended		Variance	
	30 June 2019	30 June 2018	Units	%	30 June 2019	30 June 2018	Units	%
cheese and cheese product	210.7	224.7	(14.0)	(6)	218.4	237.7	(19.3)	(8)
butter and spread	242.1	290.3	(48.2)	(17)	250.9	309.3	(58.4)	(19)
dry mixes	74.4	79.0	(4.6)	(6)	73.5	81.2	(7.7)	(9)
cream	185.9	0.0	185.9	-	175.5	0.0	175.5	-

Sales of dairy products decreased in 1H20 (RR -13 million, -1%) as a result of decrease of sales volume and shift of sales volume from cheese (more expensive product) to cheese products.

Growth of *Distribution and selling expenses* due to brand development and promotion. Growth of *General and administrative expenses* due to newly hired during 2019 staff, including key personnel

Key consolidated cash flow indicators (not IFRS presentation*)

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

in mln Roubles	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Net cash from operating activities, incl.	19,053	18,823	230	1	12,574	15,060	(2,486)	(17)
<i>Operating cash flow before working capital changes</i>	12,864	8,665	4,200	48	7,622	5,853	1,770	30
<i>Working capital changes</i>	6,449	10,248	(3,800)	(37)	5,005	9,260	(4,256)	(46)
Net cash from investing activities, incl.	(4,765)	(6,108)	1,343	22	(2,745)	(3,143)	398	13
<i>Purchases of property plant and equipment and inventories intended for construction</i>	(4,825)	(6,405)	1,580	25	(2,675)	(3,437)	762	22
Net cash from financing activities	(13,407)	(11,651)	(1,756)	(15)	(9,484)	(9,996)	512	5
Net effect of exchange rate changes on cash and cash equivalents	173	(114)	287	-	(147)	(88)	(59)	(67)
Net increase / (decrease) in cash and cash equivalents	1,054	949	104	11	198	1,832	(1,635)	(89)

(*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in 1H20 were made in the Meat Segment in the amount of RR 2,083 million (1H19: RR 3,795 million) related to the construction project in Far East region. Investments in Sugar Segment in the amount of RR 913 million (1H19: RR 1,672 million), Agriculture Segment in the amount of RR 1,181 million (1H19: RR 838 million) and Oil and Fat Segment in the amount of RR 648 million (1H19: RR 100 million) mainly relate to purchases of machinery and equipment for production facilities renewal and maintenance.

Debt position and liquidity management

in RR million	30 June 2020	31 December 2019	Variance	
			Units	%
Gross debt	88,809	97,876	(9,067)	(9)
<i>Short-term borrowings</i>	25,102	31,835	(6,733)	(21)
<i>Long-term borrowings</i>	63,707	66,041	(2,334)	(4)
Cash and cash equivalents, bank deposits and bonds	(37,189)	(36,136)	(1,053)	(3)
<i>Short-term cash, deposits and bonds</i>	(3,225)	(2,171)	(1,054)	(49)
<i>Long-term cash, deposits and bonds</i>	(33,964)	(33,965)	1	0
Net debt	51,620	61,740	(10,120)	(16)
<i>Short-term borrowings, net</i>	21,877	29,664	(7,787)	(26)
<i>Long-term borrowings, net</i>	29,743	32,076	(2,333)	(7)
Adjusted EBITDA (LTM⁴)	23,793	19,448	4,345	22
Net debt/ Adjusted EBITDA (LTM)	2.17	3.17	(1.0) pp	
Adjusted EBITDA (LTM) without other operating income/expenses	24,186	20,045	4,141	21
Net debt/ Adjusted EBITDA (LTM) without other operating income/expenses	2.13	3.08	(0.9) pp	

Net finance income/ (expense)

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2020	30 June 2019	Units	%	30 June 2020	30 June 2019	Units	%
Net interest expense	(2,582)	(2,701)	119	4	(1,235)	(1,134)	(101)	(9)
<i>Gross interest expense</i>	(3,357)	(3,341)	(15)	(0)	(1,655)	(1,531)	(124)	(8)
<i>Reimbursement of interest expense</i>	775	640	134	21	420	397	23	6
Interest income	3,572	3,996	(424)	(11)	1,801	993	809	81
Net gain/ (loss) from bonds held for trading	(17)	(23)	6	24	(16)	(19)	3	15
Other financial income, net	(1,351)	(82)	(1,269)	(1,546)	(211)	113	(324)	-
<i>Net foreign exchange gain/ (loss)</i>	(1,215)	11	(1,226)	-	(138)	69	(207)	-
<i>Other financial income / (expenses), net</i>	(137)	(93)	(43)	(47)	(73)	44	(117)	-
Total net finance income/ (expenses)	(379)	1,190	(1,569)	-	339	(47)	386	-

Net debt decreased at 30 June 2020 compared at 31 December 2019 as a result of repayment of loans and borrowings received and as a result of increase in cash balances and short-term bank deposits.

In 1H20 the Group continued to enjoy benefits from the state agriculture subsidies programme. The Group continued to receive bank loans with decreased preferential interest rates under the programme of government support. Under this programme, the government provides subsidies to the banks to compensate the loss of income on credits with decreased interest rates, given by the banks to agricultural producers. In 1H20 IFRS accounts these credits are accounted according to its face value with no adjustments to prevailing market rates. The differences between nominal and market interest rate is presented in interest expenses in a statement of comprehensive income.

Net finance income of 1H19 in the sum of RR 1,190 million changed to net finance expense in the amount of RR 379 million in 1H20 as the result of negative dynamics in forex losses and decrease in interest income as a result of accrual of interest on rights to claims SolPro entities and interest receivable on bonds.

(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 included in operating profit, (ii) other non-operating income/ (expenses), net, (iii) net gain/ (loss) on revaluation of biological assets and agricultural produce, (iv) share-based remuneration (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:

Rusagro is one of the leading Russian sugar producers (№3 with 12% share in sugar production in Russia and №1 with 50% share of cube white sugar market), producing sugar from sugar beet at nine production sites in four regions. Group produces white and brown cube sugar and packaged sugar sold under the brands Russkii Sakhar, Chaikofsky, Mon Cafe and Brauni. Sugar Segment is vertically integrated and sugar beet is supplied by Rusagro's Agriculture Segment, which ensures a consistent supply of raw material. Sugar Segment also operates a cereal plant and sell buckwheat and rice under the brand Tyoplye Traditsii.

Meat:

Rusagro is the fourth largest pork producer in Russia with 5% share of pork produced in Russia. It operates 18 commercial pork complexes with correspondence to high biosecurity standards, has own compound feed production, slaughterhouses and meat processing plants in Tambov and Belgorod Regions. Since 2016 Rusagro sells retail products under its own brand Slovo Myasnika (Butcher's word).

Agricultural:

The Group currently controls one of the largest land banks among Russian agriculture producers, with 642 thousand hectares of land under control located in the highly fertile Black Earth region of Russia (in the Belgorod, Tambov, Voronezh, Kursk and Orel 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. Rusagro is one of the major sugar beet producers in Russia, but it also produces wheat and barley, sunflower seeds and soybeans. These products are partially consumed by the Meat Segment, supporting a synergistic effect and lowering price change risk.

Oil and Fat:

Rusagro is the leading crude sunflower oil and consumer margarine producer, second largest industrial fats and mayonnaise producer in Russia with products sold under eight key brands, such as EZhK, Schedroye Leto, Mechta Khozyaiki, Moskovskiy Provansal, Novosibirskiy Provansal, Saratovskiy Provansal, Rossiyanka and Saratovskiy Slivochniy. The Group operates (including through ownership and the lease) five crushing and three oil and fats plants. Own sunflower and soy oil production allows to control the source of the vegetable oil required to produce oil and fats products.

Dairy Products:

Launched at the end of 2018 Dairy Products Segment operates two plants in Samara and Ulyanovsk Regions. It produces dry industrial mixes, cheeses, butter and cream. Consumer products are sold under three brands, which are Milie, Buterbrodnoe utro and Srynaya Kultura.

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 1H and 2Q 2020 financial results for investors and analysts.

Details of the call:

Date	14 August 2020
Time	4:00 PM (Moscow) / 2:00 PM (London)
Subject	ROS AGRO PLC 2Q 2020 Financial results
UK Toll Free	0 800 376 61 83
UK Local Line	+44 207 194 37 59
USA Toll Free	1 844 286 06 43
USA Local Line	+1 646 722 49 16
Russia Toll Free	8 800 500 98 63
Russian Local Line	+7 495 646 93 15
Conference ID	12614968#

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Appendix 1. Consolidated statement of comprehensive income for the Six and Three months ended 30 June 2020 (in RR thousand)

	Six months ended 30 June		Three months ended 30 June	
	2020	2019	2020	2019
Sales	71,235,810	65,320,244	38,302,446	37,349,303
Net gain/(loss) on revaluation of biological assets and agricultural produce	(381,327)	(3,911,093)	(467,306)	(1,951,989)
Cost of sales	(55,449,155)	(52,260,687)	(29,595,151)	(30,717,410)
Net gain/(loss) from trading derivatives	10,556	(5,823)	10,639	(2,542)
Gross profit	15,415,884	9,142,641	8,250,628	4,677,362
Distribution and selling expenses	(4,315,568)	(4,918,258)	(2,212,587)	(2,599,163)
General and administrative expenses	(3,682,032)	(3,455,599)	(1,672,556)	(1,576,627)
Other operating income/ (expenses), net	(173,149)	(375,776)	(83,708)	(344,200)
Other non-operating income/ (expenses), net	1,616,650	1,059,262	826,635	991,675
Operating profit / (loss)	8,861,785	1,452,270	5,108,412	1,149,047
Interest expense	(2,582,278)	(2,701,155)	(1,234,833)	(1,133,815)
Interest income	3,571,808	3,996,008	1,801,308	992,612
Net (loss)/gain from bonds	(17,002)	(22,515)	(16,143)	(19,013)
Other financial income/ (expenses), net	(1,351,245)	(82,101)	(211,247)	113,001
Profit before income tax	8,483,068	2,642,507	5,447,497	1,101,832
Income tax expense	(483,072)	(74,746)	(645,269)	(186,465)
Profit for the period	7,999,996	2,567,761	4,802,228	915,367
Other comprehensive income				
Total comprehensive income for the period	7,999,996	2,567,761	4,802,228	915,367
Profit is attributable to:				
Owners of ROS AGRO PLC	8,034,829	2,590,348	4,809,911	928,945
Non-controlling interest	(34,833)	(22,586)	(7,683)	(13,578)
Profit for the period	7,999,996	2,567,761	4,802,228	915,367
Total comprehensive income is attributable to:				
Owners of ROS AGRO PLC	8,034,829	2,590,348	4,809,911	928,945
Non-controlling interest	(34,833)	(22,586)	(7,683)	(13,578)
Total comprehensive income for the period	7,999,996	2,567,761	4,802,228	915,367
Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share)	298.65	96.30	178.77	34.53

Appendix 2. Segment information for the Six months ended 30 June 2020 (in RR thousand)

1H 2020	Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total
Sales	14,268,955	14,079,193	7,669,632	34,444,160	2,107,471	(1,333,601)	71,235,810
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	320,426	(1,006,369)	-	-	304,616	(381,327)
Cost of sales	(10,397,787)	(11,881,721)	(4,850,232)	(27,579,255)	(1,851,412)	1,111,252	(55,449,155)
<i>incl. Depreciation</i>	<i>(1,316,686)</i>	<i>(1,670,932)</i>	<i>(823,449)</i>	<i>(234,117)</i>	<i>(5,809)</i>	<i>(8,858)</i>	<i>(4,059,851)</i>
Net loss from trading derivatives	10,556	-	-	-	-	-	10,556
Gross profit / (loss)	3,881,724	2,517,898	1,813,031	6,864,905	256,059	82,267	15,415,884
Distribution and Selling, General and administrative expenses	(1,776,525)	(1,339,052)	(1,596,788)	(2,793,445)	(932,687)	440,897	(7,997,600)
<i>incl. Depreciation</i>	<i>(37,737)</i>	<i>(109,775)</i>	<i>(134,094)</i>	<i>(77,863)</i>	<i>(88,504)</i>	<i>8,858</i>	<i>(439,116)</i>
Other operating income/(expenses), net	94,547	50,585	(75,780)	(33,884)	(51,181)	(157,435)	(173,149)
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>72,144</i>	<i>(439)</i>	<i>60,951</i>	<i>86,569</i>	<i>-</i>	<i>-</i>	<i>219,225</i>
Other non-operating income/(expenses), net	467,585	203,824	114,620	(176,136)	5,635,172	(4,628,415)	1,616,650
<i>incl. Reimbursement of non-operating costs (government grants)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Operating profit / (loss)	2,667,331	1,433,255	255,083	3,861,440	4,907,363	(4,262,687)	8,861,785
Adjustments:							
Depreciation included in Operating Profit	1,354,423	1,780,707	957,543	311,980	94,313	-	4,498,966
Other non-operating (income) /expenses, net	(467,585)	(203,824)	(114,620)	176,136	(5,635,172)	4,628,415	(1,616,650)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(320,426)	1,006,369	-	-	(304,616)	381,327
Adjusted EBITDA*	3,554,169	2,689,712	2,104,375	4,349,556	(633,496)	61,112	12,125,428

* Non-IFRS measure

Appendix 2 (continued). Segment information for the Six months ended 30 June 2019 (in RR thousand)

1H 2019	Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total
Sales	15,674,283	11,169,171	9,156,605	28,940,747	1,987,194	(1,607,756)	65,320,244
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(255,627)	(2,794,959)	-	-	(860,507)	(3,911,093)
Cost of sales	(12,831,202)	(9,480,699)	(5,090,364)	(25,896,557)	(1,724,163)	2,762,298	(52,260,687)
<i>incl. Depreciation</i>	<i>(971,860)</i>	<i>(1,271,581)</i>	<i>(658,246)</i>	<i>(236,525)</i>	<i>(6,381)</i>	<i>(5,853)</i>	<i>(3,150,446)</i>
Net gain/ (loss) from trading derivatives	(5,817)	-	-	-	(6)	-	(5,823)
Gross profit	2,837,264	1,432,845	1,271,282	3,044,190	263,025	294,035	9,142,641
Distribution and Selling, General and administrative expenses	(1,565,172)	(965,518)	(2,182,756)	(2,759,082)	(1,061,815)	160,486	(8,373,857)
<i>incl. Depreciation</i>	<i>(40,251)</i>	<i>(61,621)</i>	<i>(120,082)</i>	<i>(74,453)</i>	<i>(35,909)</i>	<i>5,853</i>	<i>(326,463)</i>
Other operating income/(expenses), net	17,360	(82,930)	(64,679)	(190,234)	(55,293)	-	(375,776)
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>-</i>	<i>1,575</i>	<i>71,783</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>73,358</i>
Other non-operating income/(expenses), net	406,349	125,498	(43,305)	(19,260)	10,944,321	(10,354,341)	1,059,262
<i>incl. Reimbursement of non-operating costs (government grants)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Operating profit / (loss)	1,695,801	509,895	(1,019,458)	75,614	10,090,238	(9,899,820)	1,452,270
Adjustments:							
Depreciation included in Operating Profit	1,012,111	1,333,202	778,328	310,978	42,290	-	3,476,909
Other non-operating (income) /expenses, net	(406,349)	(125,498)	43,305	19,260	(10,944,321)	10,354,341	(1,059,262)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	255,627	2,794,959	-	-	860,507	3,911,093
Adjusted EBITDA*	2,301,563	1,973,226	2,597,134	405,852	(811,793)	1,315,028	7,781,010

* Non-IFRS measure

**Appendix 3. Consolidated statement of financial position as at 30 June 2020
(in RR thousand)**

	30 June 2020	31 December 2019
ASSETS		
Current assets		
Cash and cash equivalents	3,224,443	2,170,779
Restricted cash	44	39
Short-term investments	23,498,905	23,456,552
Trade and other receivables	7,106,118	8,068,349
Prepayments	2,486,015	3,018,658
Current income tax receivable	390,054	225,315
Other taxes receivable	3,365,188	4,349,400
Inventories and short-term biological assets	45,023,884	49,386,797
Total current assets	85,094,651	90,675,889
Non-current assets		
Property, plant and equipment	83,029,805	80,629,483
Inventories intended for construction	3,566,226	3,157,369
Right-of-use assets	6,209,375	6,230,707
Goodwill	2,364,942	2,364,942
Advances paid for non-current assets	6,646,467	8,721,155
Long-term biological assets	2,306,739	2,279,335
Long-term investments and receivables	42,633,422	42,636,323
Investments in associates	200,070	165,070
Deferred income tax assets	2,611,150	1,852,983
Other intangible assets	592,790	608,635
Other non-current assets	47,477	173,002
Total non-current assets	150,208,463	148,819,004
Total assets	235,303,114	239,494,893
LIABILITIES and EQUITY		
Current liabilities		
Short-term borrowings	25,101,545	31,834,699
Lease liabilities	841,340	916,791
Trade and other payables	17,379,947	17,492,614
Current income tax payable	288,547	123,846
Other taxes payable	2,807,425	3,468,034
Total current liabilities	46,418,804	53,835,984
Non-current liabilities		
Long-term borrowings	63,707,011	66,040,784
Government grants	8,340,857	8,306,779
Lease liabilities	3,954,209	3,989,801
Deferred income tax liability	1,272,019	494,977
Total non-current liabilities	77,274,096	78,832,341
Total liabilities	123,692,900	132,668,325
Equity		
Share capital	12,269	12,269
Treasury shares	(490,607)	(490,607)
Additional paid-in capital	26,964,479	26,964,479
Other reserves	1,313,691	1,313,691
Retained earnings	83,782,115	78,960,843
Equity attributable to owners of ROS AGRO PLC	111,581,947	106,760,675
Non-controlling interest	28,267	65,893
Total equity	111,610,214	106,826,568
Total liabilities and equity	235,303,114	239,494,893

**Appendix 4. Consolidated statement of cash flows for the Six months ended 30 June 2020
(in RR thousand) – NOT IFRS PRESENTATION (*)**

	Six months ended	
	30 June 2020	30 June 2019
Cash flows from operating activities		
Profit before income tax	8,483,068	2,642,507
<i>Adjustments for:</i>		
Depreciation and amortization	4,498,966	3,476,909
Interest expense	3,356,941	3,319,155
Government grants	(1,306,625)	(950,006)
Interest income	(3,571,808)	(3,996,008)
Loss / (gain) on disposal of property, plant and equipment	(50,577)	93,300
Net (gain) / loss on revaluation of biological assets and agricultural produce	381,327	3,911,093
Lease finance expense	129,700	107,863
Realised deferred day-one gain	(823,967)	(359,202)
Change in provision for net realisable value of inventory	366,003	273,376
Change in provision for impairment of receivables and prepayments	(4,045)	71,869
Foreign exchange (gain) / loss, net	1,361,408	19,874
Lost harvest write-off	179,563	82,785
Net (gain) / loss from bonds held for trading	17,002	22,515
Settlement of loans and accounts receivable previously written-off	(2)	(11)
Change in provision for impairment of advances paid for property, plant and equipment	113,203	29,235
Dividend income	(186,506)	-
Gain on sale of subsidiaries, net	-	(364,880)
Loss / (gain) on other investments	-	575
Other non-cash and non-operating expenses, net	(79,171)	283,800
Operating cash flow before working capital changes	12,864,480	8,664,749
Change in trade and other receivables and prepayments	1,307,967	(2,152,188)
Change in other taxes receivable	984,212	631,855
Change in inventories and short-term biological assets	3,978,409	4,609,438
Change in trade and other payables	618,965	7,127,098
Change in other taxes payable	(441,051)	32,176
Cash generated from operations	19,312,982	18,913,128
Income tax paid	(259,734)	(90,134)
Net cash from operating activities	19,053,248	18,822,994

Appendix 4 (continued). Consolidated statement of cash flows the Six months ended 30 June 2020 (in RR thousand) – NOT IFRS PRESENTATION (*)

	Six months	
	30 June 2020	30 June 2019
Cash flows from investing activities		
Purchases of property, plant and equipment	(4,016,179)	(5,643,964)
Purchases of other intangible assets	(237,792)	(47,092)
Proceeds from sales of property, plant and equipment	79,507	142,458
Purchases of inventories intended for construction	(808,586)	(761,049)
Purchases of associates	(35,000)	-
Dividends received	186,506	-
Movement in restricted cash	-	(277,327)
Proceeds from sale of subsidiaries, net of cash disposed	-	478,710
Other investing activities	66,487	-
Net cash from investing activities	(4,765,057)	(6,108,264)
Cash flows from financing activities		
Proceeds from borrowings	31,110,339	19,753,266
Repayment of borrowings	(42,937,117)	(34,813,882)
Interest and other finance cost paid	(2,161,798)	(3,040,947)
Change in cash on bank deposits*	-	2,594,903
Proceeds from sales of bonds with maturity over three months*	-	2,323,560
Purchases of loan issued*	(1,840)	(87,189)
Loans repaid*	696,560	1,629,718
Interest received*	2,628,790	2,741,880
Proceeds from government grants	544,868	770,390
Dividends paid to owners Ros Agro PLC (Repayment)/proceeds of lease liabilities-principal	(3,216,539)	(3,401,828)
	(70,432)	(121,227)
Net cash from financing activities	(13,407,169)	(11,651,356)
Net effect of exchange rate changes on cash and cash equivalents	172,642	(114,008)
Net increase/ (decrease) in cash and cash equivalents	1,053,664	949,366
Cash and cash equivalents at the beginning of the period	2,170,779	1,728,396
Cash and cash equivalents at the end of the period	3,224,443	2,677,762

(*) 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.