

ROS AGRO PLC financial results for 9M 2023 and 3Q 2023

13 November 2023 – Today ROS AGRO PLC (the Company), the holding company of Rusagro Group (Rusagro), a leading Russian diversified food producer with vertically integrated operations, has announced the financial results for the third quarter and the nine months ended 30 September 2023.

3Q 2023 HIGHLIGHTS

- Sales amounted to RUB 71,674 million (US\$ 762 million¹), an increase of RUB 16,878 million (+31%) compared to 3Q 2022;
- Adjusted EBITDA² amounted to RUB 15,027 million (US\$ 160 million), an increase of RUB 9,490 million (+171%) compared to 3Q 2022;
- Adjusted EBITDA margin increased to 21% in 3Q 2023 from 10% in 3Q 2022;
- Net profit for the period amounted to RUB 25,334 million (US\$ 269 million), an increase of RUB 23,622 million (+1,380%);
- Net debt position³ as of 30 September 2023 amounted to RUB 65,179 million (US\$ 669 million);
- Net Debt/Adjusted EBITDA (LTM⁴) as of 30 September 2023 was 1.62x.

Commenting on the results, Timur Lipatov, CEO of Rusagro, said:

“Rusagro Group has demonstrated strong financial results in 3Q 2023: revenue increased by 31%, adjusted EBITDA increased by 171%, net profit amounted to RUB 25 billion and net debt decreased by 35%.

The consolidation of the financial results of NMGK had a significant impact on the financial results for 3Q 2023. Following the acquisition of the controlling share we started integrating the NMGK business, which is already generating significant synergy effects.

Revenue of all business segments, except Oil and Fat, increased in 3Q 2023, which is attributable both to the increase in sales volumes and more favorable market environment. Oil and Fat segment’s revenue decreased due to the fall of world prices for oil and fat products and the suspension of the oil extraction plant in Balakovo for modernization. The modernization project will result in a 30% increase in the plant's production capacity.

Rusagro Group's adjusted EBITDA increased across all business segments because of increased sales volume in Agriculture segment, positive dynamics of market prices in Sugar and Meat segments, economy as the result of variable costs decrease in Oil and Fats segment, as well as the realization of systematic cost reduction initiatives on the Group level.

Net profit of the Group increased following the increase in Adjusted EBITDA and positive exchange rate dynamics.”

Key consolidated financial performance indicators

in RUB million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2023	September 2022			September 2023	September 2022		
Sales	178,224	182,027	(3,803)	(2)	71,674	54,796	16,878	31
Gross profit¹	49,660	40,587	9,072	22	28,712	8,003	20,709	259
<i>Gross margin, %</i>	<i>28%</i>	<i>22%</i>	<i>6 pp</i>		<i>40%</i>	<i>15%</i>	<i>25 pp</i>	
Adjusted EBITDA¹	30,633	35,371	(4,737)	(13)	15,027	5,538	9,490	171
<i>Adjusted EBITDA margin, %</i>	<i>17%</i>	<i>19%</i>	<i>(2) pp</i>		<i>21%</i>	<i>10%</i>	<i>11 pp</i>	
Net profit for the period^{1,2}	38,525	2,182	36,343	1,666	25,334	1,712	23,622	1,380
<i>Net profit margin %</i>	<i>22%</i>	<i>1%</i>	<i>21 pp</i>		<i>35%</i>	<i>3%</i>	<i>32 pp</i>	

¹ Several adjustments were made to the published 9M and 3Q 2022 key financial indicators:

- Gross profit for 9M 2022 was increased by RUB 1,058 million, Net profit by RUB 845 million to reflect the distribution of depreciation expenses between the quarters of 2022 in Oil and Fat segment, the same indicators for 3Q 2022 increased by RUB 350 million and RUB 281 million correspondingly;
- Gross profit for 9M 2022 was decreased by RUB 574 million, gross profit for 3Q 2022 was decreased by RUB 191 million to reflect the distribution of depreciation costs between lines of financial statements for Meat segment;
- Gross profit and adjusted EBITDA for 3Q 2022 were increased by RUB 327 million, Net profit by RUB 261 million in order to reflect the distribution of costs of Far East project in Meat segment, the same indicators for 9M 2022 has not changed.

² Net profit for the period is affected by non-cash income/(loss) on revaluation of biological assets and agricultural produce. See details in business sections below.

Note: Since some indicators and percentages in the press release were rounded to the nearest whole number, the sum of the rounded values may not fully match the totals.

Key financial performance indicators by segments

in RUB million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2023	September 2022			September 2023	September 2022		
Sales, incl.	178,224	182,027	(3,803)	(2)	71,674	54,796	16,878	31
<i>Sugar</i>	37,289	37,679	(391)	(1)	13,315	10,577	2,738	26
<i>Meat</i>	35,563	31,795	3,768	12	12,914	11,171	1,744	16
<i>Agriculture</i>	23,789	17,123	6,666	39	12,230	6,018	6,212	103
<i>Oil and Fat</i>	76,144	102,366	(26,222)	(26)	24,745	30,354	(5,609)	(18)
<i>NMGK</i>	14,971	-	14,971	-	14,971	-	14,971	-
<i>Other</i>	1,461	913	549	60	457	463	(6)	(1)
<i>Eliminations</i>	(10,994)	(7,849)	(3,145)	(40)	(6,958)	(3,786)	(3,172)	(84)
Gross profit, incl.	49,660	40,587	9,072	22	28,712	8,003	20,709	259
<i>Sugar</i>	13,077	16,140	(3,063)	(19)	4,964	3,339	1,625	49
<i>Meat</i>	5,967	(591)	6,558	-	3,420	(205)	3,626	-
<i>Agriculture</i>	12,052	9,643	2,409	25	11,834	1,937	9,898	511
<i>Oil and Fat</i>	15,596	15,754	(159)	(1)	4,553	2,958	1,595	54
<i>NMGK</i>	5,071	-	5,071	-	5,071	-	5,071	-
<i>Other</i>	483	197	286	145	48	148	(100)	(68)
<i>Eliminations</i>	(2,586)	(556)	(2,030)	(365)	(1,178)	(173)	(1,005)	(581)
Adjusted EBITDA, incl.	30,633	35,371	(4,737)	(13)	15,027	5,538	9,490	171
<i>Sugar</i>	11,381	14,055	(2,674)	(19)	4,666	2,727	1,939	71
<i>Meat</i>	3,289	1,010	2,279	226	2,555	(27)	2,582	-
<i>Agriculture</i>	4,376	6,746	(2,369)	(35)	3,260	1,427	1,833	128
<i>Oil and Fat</i>	9,559	10,710	(1,151)	(11)	3,368	1,237	2,131	172
<i>NMGK</i>	2,746	-	2,746	-	2,746	-	2,746	-
<i>Other</i>	(972)	(1,076)	105	10	(317)	(689)	372	54
<i>Eliminations</i>	255	3,926	(3,671)	(94)	(1,249)	863	(2,112)	-
Adjusted EBITDA margin, %	17%	19%	<i>(2) pp</i>		21%	10%	<i>11 pp</i>	
<i>Sugar</i>	31%	37%	<i>(7) pp</i>		35%	26%	<i>9 pp</i>	
<i>Meat</i>	9%	3%	<i>6 pp</i>		20%	0%	<i>20 pp</i>	
<i>Agriculture</i>	18%	39%	<i>(21) pp</i>		27%	24%	<i>3 pp</i>	
<i>Oil and Fat</i>	13%	10%	<i>2 pp</i>		14%	4%	<i>10 pp</i>	
<i>NMGK</i>	18%	-	<i>18 pp</i>		18%	-	<i>18 pp</i>	

SUGAR SEGMENT

In 9M 2023 Sugar segment earned RUB 11,381 million of adjusted EBITDA (-19% y-o-y) with 31% margin (-7 pp y-o-y).

The financial results of the Sugar Segment of 9M 2023 compared to 9M 2022 are presented in the table below:

Sugar segment 9M and 3Q 2023 Financial Results

in RUB million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2023	September 2022			September 2023	September 2022		
Sales	37,289	37,679	(391)	(1)	13,315	10,577	2,738	26
Cost of sales	(24,212)	(21,539)	(2,673)	(12)	(8,352)	(7,238)	(1,113)	(15)
Gross profit	13,077	16,140	(3,063)	(19)	4,964	3,339	1,625	49
<i>Gross profit margin</i>	<i>35%</i>	<i>43%</i>	<i>(8) pp</i>		<i>37%</i>	<i>32%</i>	<i>5 pp</i>	
Distribution and selling expenses	(2,495)	(2,681)	186	7	(619)	(705)	86	12
General and administrative expenses	(1,209)	(1,260)	51	4	(441)	(458)	17	4
Other operating income/ (expenses), net	470	(325)	795	-	248	(11)	260	-
<i>incl. Reimbursement of operating costs (government grants)</i>	92	144	(52)	(36)	4	6	(2)	(34)
<i>incl. other adjustments to EBITDA (non-recurring items)</i>	74	(378)	452	-	11	32	(21)	(64)
Operating profit	9,843	11,874	(2,031)	(17)	4,152	2,165	1,987	92
Adjusted EBITDA	11,381	14,055	(2,674)	(19)	4,666	2,727	1,939	71
<i>Adjusted EBITDA margin</i>	<i>31%</i>	<i>37%</i>	<i>(7) pp</i>		<i>35%</i>	<i>26%</i>	<i>9 pp</i>	

In 3Q 2023 compared to 3Q 2022 Sales of Sugar segment increased by 26% mainly due to the growth of market prices, changes in sales structure and sales efficiency increase. Sales volume increased due to shift the sales volume from 2Q 2023 to 3Q 2023.

In 9M 2023 compared to the same period last year Sales of Sugar segment decreased by 1% mainly due to the decrease in sales of other products (beet pulp, buckwheat). Decrease in sugar sales volumes is caused by the decrease in production volumes in season 2022/2023 due to lower sugar content in sugar beet attributable to bad weather conditions that affected the quality of sugar beet.

Production and sales volume of sugar in 9M and 3Q 2023

	Nine months ended		Variance		Three months ended		Variance	
	30	30			30	30		
	September	September	Units	%	September	September	Units	%
	2023	2022			2023	2022		
Sugar production volume, <i>thousand tonnes</i>	327	278	49	18	224	174	50	28
Sales volume, <i>thousand tonnes</i>	589	636	(47)	(7)	208	199	9	5

Cost of sales in 3Q and 9M 2023 increased y-o-y because of the increase in sugar beet and its processing costs per unit of sugar as the result of decrease in sugar beet quality and sugar content of season 2022-2023.

Other operating income/ (expenses), net in 3Q and 9M 2023 increased mainly due to the positive dynamics of the operating forex differences and the gain from forward contracts for the purchase of foreign currency.

MEAT SEGMENT

In 9M 2023 Meat segment earned RUB 3,289 million of adjusted EBITDA (+226% y-o-y) with 9% margin (+6 pp y-o-y).

The financial results of the Meat Segment of 9M 2023 and 3Q 2023 compared to 9M 2022 and 3Q 2022 respectively are presented in the table below.

Meat segment 9M and 3Q 2023 Financial Results

in RUB million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2023	September 2022			September 2023	September 2022		
Sales	35,563	31,795	3,768	12	12,914	11,171	1,744	16
Net gain/ (loss) on revaluation of biological assets and agricultural produce	3,337	(330)	3,667	-	1,064	369	695	188
Cost of sales	(32,933)	(32,057)	(876)	(3)	(10,559)	(11,746)	1,187	10
Gross profit	5,967	(591)	6,558	-	3,420	(205)	3,626	-
<i>Gross profit margin</i>	<i>17%</i>	<i>(2%)</i>	<i>19 pp</i>		<i>26%</i>	<i>(2%)</i>	<i>28 pp</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	2,630	(262)	2,892	-	2,356	(575)	2,931	-
<i>Adjusted gross profit margin</i>	<i>7%</i>	<i>(1%)</i>	<i>8 pp</i>		<i>18%</i>	<i>(5%)</i>	<i>23 pp</i>	
Distribution and selling expenses	(1,207)	(1,274)	67	5	(441)	(385)	(56)	(15)
General and administrative expenses	(1,767)	(1,130)	(636)	(56)	(550)	(101)	(448)	(442)
Other operating income/ (expenses), net	323	696	(373)	(54)	141	78	63	80
<i>incl. Reimbursement of operating costs (government grants)</i>	27	15	12	78	4	1	3	302
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	294	543	(248)	(46)	79	47	33	70
Operating profit	3,316	(2,299)	5,615	-	2,571	(613)	3,184	-
Adjusted EBITDA	3,289	1,010	2,279	226	2,555	(27)	2,582	-
<i>Adjusted EBITDA margin</i>	<i>9%</i>	<i>3%</i>	<i>6 pp</i>		<i>20%</i>	<i>0%</i>	<i>20 pp</i>	

Sales of the Meat segment increased by 16% in 3Q 2023 compared to the respective period of 2022 mainly due to increase of sales prices for both meat products and livestock.

In 9M 2023 compared to the same period last year Sales of Meat segment increased by 12% supported by both the higher sales prices for cut products and increased volumes of all meat products. Positive volume dynamics was achieved by gradual increase in production capacities to the planned level in the Far East and by growth in production efficiency in the Central Federal District, including the expansion of deboning capacity.

Production and sales volume of pork products in 9M and 3Q 2023

	Nine months ended		Variance		Three months ended		Variance	
	30	30			30	30		
	September	September	Units	%	September	September	Units	%
	2023	2022			2023	2022		
Pigs production, <i>thousand tonnes in live weight</i>	254	245	9	4	79	85	(6)	(7)
Sales volume, <i>thousand tonnes</i>	214	205	9	4	68	72	(4)	(5)

Cost of sales decreased by 10% in 3Q 2023 compared to the respective period of 2022 due to lower sales volume and significant reduction of feed costs. In 9M 2023 compares to the 9M 2022 *Cost of sales* increased by 3% mainly because of higher sales volumes.

Net gain on revaluation of biological assets and agricultural produce in 3Q 2023 and in 9M 2023 resulted from an increase in fair value and decrease in costs for consumable livestock pigs during the reporting period compared to the respective figures at the beginning of respective periods.

Other operating expenses in 9M 2023 showed negative dynamics mainly due to additional costs caused by the outbreak of African swine fever and one-off gain for the reversal of provision for legal claims in 2022.

AGRICULTURE SEGMENT

As at 30 September 2023 Rusagro's area of controlled land stands at 681 thousand hectares (31 December 2022: 660 thousand hectares).

In 9M 2023 Agriculture segment earned RUB 4,376 million of adjusted EBITDA (-35% y-o-y) with 18% margin (-21 pp y-o-y).

The financial results of the Agricultural Segment of 9M 2023 and 3Q 2023 compared to 9M 2022 and 3Q 2022 respectively are presented below.

Agriculture segment 9M and 3Q 2023 Financial Results

in RUB million	Nine months ended		Variance		Three months ended		Variance	
	30	30			30	30		
	September 2023	September 2022	Units	%	September 2023	September 2022	Units	%
Sales	23,789	17,123	6,666	39	12,230	6,018	6,212	103
Net gain/ (loss) on revaluation of biological assets and agricultural produce	5,546	1,385	4,161	300	7,638	(266)	7,904	-
Cost of sales	(17,283)	(8,865)	(8,418)	(95)	(8,034)	(3,816)	(4,218)	(111)
Gross profit	12,052	9,643	2,409	25	11,834	1,937	9,898	511
<i>Gross profit margin</i>	<i>51%</i>	<i>56%</i>	<i>(5) pp</i>		<i>97%</i>	<i>32%</i>	<i>65 pp</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	6,507	8,258	(1,751)	(21)	4,196	2,202	1,994	91
<i>Adjusted gross profit margin</i>	<i>27%</i>	<i>48%</i>	<i>(21) pp</i>		<i>34%</i>	<i>37%</i>	<i>(3) pp</i>	
Distribution and selling expenses	(3,109)	(1,771)	(1,338)	(76)	(1,041)	(759)	(282)	(37)
General and administrative expenses	(1,229)	(1,160)	(70)	(6)	(449)	(394)	(55)	(14)
Share-based remuneration	-	-	-	-	-	-	-	-
Other operating income/ (expenses), net	696	599	97	16	239	2	237	13,830
<i>incl. Reimbursement of operating costs (government grants)</i>	555	62	492	789	98	20	78	392
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	27	331	(303)	(92)	153	5	148	2,893
Operating profit	8,410	7,311	1,099	15	10,583	786	9,797	1,247
Adjusted EBITDA	4,376	6,746	(2,369)	(35)	3,260	1,427	1,833	128
<i>Adjusted EBITDA margin</i>	<i>18%</i>	<i>39%</i>	<i>(21) pp</i>		<i>27%</i>	<i>24%</i>	<i>3 pp</i>	

In 3Q 2023 in comparison to 3Q 2022 Sales of the Agriculture segment increased by 103% to RUB 12,230 million due to higher sales volume of all crops.

In 9M 2023 in comparison to 9M 2022 Sales of the Agriculture segment increased by 39% to RUB 23,789 million due to higher sales volume of all crops, with a decrease in wheat and soybean price and an increase in corn sales price.

Increase in oil crops sales volume in 9M 2023 and 3Q 2023 as well as increase in sugar beet sales volume in 1Q 2023 was caused by sales volume transfer due to adverse climate conditions at the time of harvest, leading to prolongation of harvesting period to 2023. Growth in sales volume of new sugar beet harvest in 3Q 2023 compared to 3Q 2022 is associated with improved yields and early launch of sugar plants following the harvesting schedule.

Increase in sales of corn in 3Q 2023 in comparison with the same period of prior year is caused by the execution of contract concluded in 1Q 2023, with the condition of delivery until the end of 2023. Contract price was fixed in USD, which caused positive dynamic taking into account the growth of USD/RUB exchange rate.

Sales prices for wheat decreased due to the fall in global wheat prices because of high grain stocks. Prices decrease for oil crops is attributed to the quality of harvest following adverse weather conditions during the prolonged harvesting period.

Sales volumes of crops in 9M and 3Q 2023

Thous and tonnes	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September	September			September	September		
	2023	2022			2023	2022		
sugar beet	1,597	788	809	103	1,103	730	373	51
wheat	575	292	283	97	381	98	284	290
soybean	248	145	103	71	67	28	39	140
corn	145	135	10	7	54	25	29	118
sunflower seeds	58	21	37	174	3	1	2	348

The main reason for the increase in *Cost of sales* and *Distribution and selling expenses* is the growth of volumes of goods sold.

Reimbursement of operating costs (government grants) was received in higher amount in 9M 2023 as the company received subsidies for grain crops sales, support of elite seed and ameliorants usage.

Change in *Other operating income* except government grants in 9M 2023 in comparison with the same period of 2022 is connected mainly due to the differences relating to one-off gain from the sale of fixed assets in 1Q 2022 as well as changes in foreign exchange gains/(losses) amount.

Net gain/(loss) on revaluation of biological assets and agricultural produce depends on revaluation amounts in opening and closing inventory balances. As agricultural produce matures and at the point of harvest, a gain on revaluation of agricultural produce to fair value less costs to sell is recognized. During subsequent sale, a loss from the revaluation of agricultural products sold in the reporting period is recognized in the amount of the previously recognized gain.

Gain in 9M and 3Q 2023 was caused by the revaluation of harvested and growing crops to a greater extent than the realization of revaluation in the opening balance when goods were sold. Loss in 3Q 2022 and lower profit in 9M 2022 is associated with the sale of 2021 harvest, opening balance of revaluation was higher at the beginning of 2022 than at the beginning of 2023.

Net gain/ (loss) on revaluation of biological assets and agricultural produce and its subsequent realisation do not affect the Adjusted EBITDA figure.

OIL AND FAT SEGMENT

In 9M 2023 Oil and Fat segment earned RUB 9,559 million of adjusted EBITDA (-11 % y-o-y) with 13% margin (+2 pp y-o-y).

The financial results of the Oil and Fat Segment for 9M 2023 and 3Q 2023 compared to 9M 2022 and 3Q 2022 respectively are presented below.

Oil and Fat segment 9M and 3Q 2023 Financial Results

in RUB million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2023	September 2022			September 2023	September 2022		
Sales	76,144	102,366	(26,222)	(26)	24,745	30,354	(5,609)	(18)
Cost of sales	(60,548)	(86,611)	26,063	30	(20,192)	(27,396)	7,204	26
Gross profit	15,596	15,754	(159)	(1)	4,553	2,958	1,595	54
<i>Gross profit margin</i>	<i>20%</i>	<i>15%</i>	<i>5 pp</i>		<i>18%</i>	<i>10%</i>	<i>8 pp</i>	
Distribution and selling expenses	(5,710)	(6,005)	295	5	(1,631)	(2,035)	404	20
General and administrative expenses	(2,747)	(2,195)	(552)	(25)	(831)	(826)	(4)	(1)
Other operating income/ (expenses), net	(1,214)	(2,483)	1,269	51	736	1,641	(906)	(55)
<i>incl. Reimbursement of operating costs (government grants)</i>	240	245	(5)	(2)	113	29	85	295
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	(413)	(2,414)	2,001	83	392	1,574	(1,182)	(75)
Operating profit	5,925	5,071	854	17	2,827	1,738	1,089	63
Adjusted EBITDA	9,559	10,710	(1,151)	(11)	3,368	1,237	2,131	172
<i>Adjusted EBITDA margin</i>	<i>13%</i>	<i>10%</i>	<i>2 pp</i>		<i>14%</i>	<i>4%</i>	<i>10 pp</i>	

In 3Q 2023 and 9M 2023 in comparison to 3Q 2022 and 9M 2022 *Sales* of the Oil and fat segment decreased (by 18% to RUB 24,745 million in 3Q 2023 and by 26% to RUB 76 144 million in 9M 2023) due to the decrease of world prices for oil and fat products and of sales volumes of crude oil and meal, which was partially compensated by the increase in sales volumes of industrial fats.

Decrease in sales volumes of crude oil and meal was caused by difficulties with the vessels shipment caused by ice situation in Astrakhan in January and February 2023 and the suspension of Balakovo oil extraction plant for modernization from 23 May 2023 till 28 August 2023.

Sales volumes of oil and fat and dairy products in 9M and 3Q 2023

Thousand tonnes	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September	September			September	September		
	2023	2022			2023	2022		
meal	347	470	(123)	(26)	89	171	(82)	(48)
crude oil	207	284	(78)	(27)	50	84	(34)	(41)
industrial fats	236	213	23	11	85	72	13	18
dry whey mixes	10	13	(3)	(24)	4	4	(1)	(13)
consumer oil&fat products	208	210	(2)	(1)	70	72	(2)	(3)
consumer dairy products	12	11	1	8	5	4	1	12

Cost of sales in 3Q 2023 and 9M 2023 decreased due to the decline in sales volumes of oil and fat products. Cost of sales decreased more than Sales mainly due to reduction of prices for raw materials.

The growth of *General and administrative expenses* in 9M 2023 compared to the same period of the previous year is mainly attributable to higher costs of information and consulting services.

The decrease in *Other operating expenses* is due to lower charity expenses and positive exchange dynamics in 9M 2023 compared to the same period in 2022, which was partially compensated by accrual of provision for bad debts.

NMGK

At the end of 2Q 2023 the Company acquired 50% of the shares and control over the NMGK group of companies. The Company's financial results for 3Q 2023 include the financial results of the NMGK Group.

For 3Q 2023 the revenue of the NMGK Group of companies amounted to RUB 14,971 million, adjusted EBITDA amounted to RUB 2,746 million with a margin of 14%.

The financial results of NMGK as a part of Rusagro for 3Q 2023 are presented in the table below.

NMGK 3Q 2023 Financial Results

in RUB million	Three months ended	
	30 September 2023	30 September 2022
Sales	14,971	-
Cost of sales	(9,900)	-
Gross profit	5,071	-
<i>Gross profit margin</i>	<i>34%</i>	-
Distribution and selling expenses	(2,047)	-
General and administrative expenses	(558)	-
Other operating income/ (expenses), net	34	-
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	<i>14</i>	-
Operating profit	2,500	-
Adjusted EBITDA	2,746	-
<i>Adjusted EBITDA margin</i>	<i>18%</i>	-

Sales volumes of NMGK oil and fat products in 3Q 2023

Thous and tonnes	Three months ended		Variance	
	30 September 2023	30 September 2022	Units	%
meal	65	-	65	-
crude oil	60	-	60	-
industrial fats	17	-	17	-
consumer oil&fat products	55	-	55	-

KEY CONSOLIDATED CASH FLOW INDICATORS (NOT IFRS PRESENTATION*)

The key consolidated cash flow indicators presented according to management accounts methodology

in RUB million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2023	September 2022			September 2023	September 2022		
Net cash from operating activities, incl.	47,379	7,918	39,461	498	14,803	8,625	6,178	72
<i>Operating cash flow before working capital changes</i>	31,282	32,427	(1,145)	(4)	15,604	3,980	11,624	292
<i>Working capital changes</i>	18,806	(22,995)	41,802	-	1,297	4,933	(3,636)	(74)
Net cash from investing activities, incl.	(15,620)	(6,752)	(8,868)	(131)	(3,647)	(2,790)	(857)	(31)
<i>Purchases of property, plant and equipment and inventories intended for construction</i>	(17,184)	(7,642)	(9,542)	(125)	(11,992)	(3,015)	(8,976)	(298)
Net cash from financing activities	(35,367)	28,748	(64,116)	-	(40,708)	(10,392)	(30,317)	(292)
Net effect of exchange rate changes on cash and cash equivalents	6,632	(17,177)	23,808	-	2,404	1,819	585	32
Net (decrease) / increase in cash and cash equivalents	3,023	12,738	(9,714)	(76)	(27,148)	(2,738)	(24,410)	(891)

(*) See Appendix 4

Debt position and liquidity management

in RUB million	30 September	31 December	Variance	
	2023	2022	Units	%
Gross debt	194,468	233,390	(38,922)	(17)
<i>Short-term borrowings</i>	133,226	172,352	(39,126)	(23)
<i>Long-term borrowings</i>	61,242	61,038	204	0
Cash and cash equivalents, bank deposits and bonds	(129,289)	(133,668)	4,379	3
<i>Short-term cash, deposits and bonds</i>	(94,868)	(99,697)	4,829	5
<i>Long-term cash, deposits and bonds</i>	(34,421)	(33,971)	(450)	(1)
Net debt	65,179	99,723	(34,544)	(35)
<i>Short-term borrowings, net</i>	38,358	72,655	(34,297)	(47)
<i>Long-term borrowings, net</i>	26,821	27,067	(246)	(1)
Adjusted EBITDA (LTM¹)	40,278	45,015	(4,737)	(11)
Net debt/ Adjusted EBITDA (LTM)	1.62	2.22	(-0.6) pp	

Net finance income / (expense):

in RUB million	Nine months ended		Variance		Three months ended		Variance	
	30	30			30	30		
	September	September	Units	%	September	September	Units	%
	2023	2022			2023	2022		
Net interest expense	(5,566)	(5,776)	210	4	(1,873)	(2,458)	586	24
<i>Gross interest expense</i>	(12,856)	(14,933)	2,076	14	(3,593)	(6,504)	2,912	45
<i>Reimbursement of interest expense</i>	7,290	9,157	(1,867)	(20)	1,720	4,046	(2,326)	(57)
Interest income	7,842	6,549	1,293	20	2,888	2,201	687	31
Other financial expenses, net	9,211	(18,152)	27,363	-	3,032	1,531	1,502	98
<i>Net foreign exchange gains / (losses)</i>	9,959	(17,723)	27,682	-	3,475	1,829	1,647	90
<i>Other financial income/ (expenses), net</i>	(748)	(429)	(319)	(74)	(443)	(298)	(145)	(49)
Total net finance income / (expense)	11,487	(17,378)	28,865	-	4,048	1,274	2,774	218

Net debt decreased at 30 September 2023 compared at 31 December 2022 as a result of a decrease in short-term borrowings.

In 9M 2023 Rusagro continued to enjoy benefits from the state agriculture subsidies programme. Rusagro 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 borrowings with decreased interest rates, given by the banks to agricultural producers. In 9M 2023 IFRS accounts these borrowings are accounted according to its face value with no adjustments to prevailing market rates. The differences between nominal and market interest rate is recognized as either government grants in a statement of financial position for borrowings received with the purpose to finance investment projects or interest expenses in a statement of comprehensive income for general purpose borrowings.

Net finance expense of 9M 2022 in the sum of RUB 17,378 million changed to *net finance income* in the amount of RUB 11,487 million as the result of positive dynamics in forex differences.

-
- (1) *The exchange rates used for translation of RUB 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) net gain/ (loss) on revaluation of biological assets and agricultural produce, (iii) non-recurring components of other operating income/ (expenses), net, (iv) share-based remuneration, (v) provision for impairment of loans issued (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) *Rusagro 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, MOEX: AGRO) – a holding company of Rusagro Group, a leading Russian diversified food producer with vertically integrated operations in the following branches:

Agricultural:

Rusagro currently controls one of the largest land banks among Russian agriculture producers, with 681 thousand hectares of land under control located in the highly fertile Black Earth region of Russia (in the Belgorod, Tambov, Voronezh, Kursk, Orel regions) and in the Far East Primorye 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 corn, sunflower seeds and soybeans. These products are partially consumed by the Sugar, Meat and Oil and Fat segments, 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 eleven key brands, such as *EZhK*, *Schedroye Leto*, *Mechta Khozyaiki*, umbrella brand *Ya Lublu Gotovit* (includes *Moskovskiy Provansal*, *Novosibirskiy Provansal* and *Saratovskiy Provansal*), *Rossiyanka* and *Saratovskiy Slivochniy*, *Benefitto*, *Maslava* and *Leto Krasno* (红色夏日), which is sold on the Chinese market. Rusagro also produces dry industrial mixes, cheeses, butter and cream sold under three brands: *Milie*, *Syrnaya Kultura* and *Ya Lublu Gotovit*. Rusagro owns four crushing and two oil & fats plants and leases two milk processing plants. Owning its sunflower and soy oil production allows Rusagro to control the source of the sunflower and soybean oil required to produce oil and fats products.

Rusagro finalized the acquisition of 50% of NMGK Group in 2023. NMGK Group owns an oil and fat plant in Nizhny Novgorod, oil extraction factories in Uryupinsk and Sorochinsk, as well as elevators in the Volgograd, Orenburg, Samara, Saratov regions and the Republic of Bashkortostan. The company produces mayonnaise and sauces "Ryaba", "Sdobri", sauces and ketchups "Astoria", margarine "Khozyayushka", spread "Kremlevskoe", baby soap "Moy malysh".

Sugar:

Rusagro is one of the leading Russian sugar producers (№3 in Russia and №1 on cube white sugar market), producing sugar from sugar beet at nine production sites in four regions. Group produces white and brown sugar sold under the brands *Russkii Sakhar*, *Chaikofsky*, *Mon Café* and *Brauni*. The Sugar segment is vertically integrated and sugar beets are supplied by Rusagro's Agriculture segment, which ensures a consistent supply. The sugar segment also operates a cereal plant and sells buckwheat and rice under the brand *Tyoplye Traditsii*.

Meat:

Rusagro is №3 largest pork producer in Russia. It operates large commercial pig breeding complexes adhering to best practices regarding biosecurity standards, nucleus farms, compound feed plants, slaughterhouses and meat processing plants in Tambov and Belgorod Regions and in the Russian Far East. Since 2016, Rusagro sells retail products under its own brand *Slovo Myasnika* (*Butcher's word*).

CONFERENCE CALL

Rusagro management is organizing a conference call on Company's 9M and 3Q 2023 financial results for investors and analysts.

Details of the call:

Date: 13 November 2023

Time: 4:00 PM (Moscow) / 2:00 PM (London)

Subject: ROS AGRO PLC 9M and 3Q 2023 IFRS Financial results

Registration:

available up to 3:00 PM Moscow time / 1:00 PM London time on 13 November

https://us06web.zoom.us/webinar/register/WN_9kO3JUVWQTq5to1imWM0tg

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.

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Appendix 1. Consolidated statement of comprehensive income for the Nine and Three months ended 30 September 2023 (in RUB thousand)

	Nine months ended 30 September		Three months ended 30 September	
	2023	2022	2023	2022
Sales	178,223,533	182,026,606	71,674,171	54,796,326
Net gain / (loss) on revaluation of biological assets and agricultural produce	8,633,276	(2,087,230)	9,598,951	(239,057)
Cost of sales	(137,197,070)	(139,351,877)	(52,561,106)	(46,554,081)
Gross profit	49,659,534	40,587,499	28,711,811	8,003,188
Distribution and selling expenses	(12,523,182)	(10,968,875)	(5,168,642)	(3,608,134)
General and administrative expenses	(7,619,303)	(6,163,326)	(2,756,789)	(2,274,346)
Other operating income/(expenses), net	3,187,157	(4,098,301)	2,908,668	(594,972)
Operating profit	32,704,206	19,356,997	23,695,048	1,525,736
Interest expense	(5,565,939)	(5,775,676)	(1,872,574)	(2,458,290)
Interest income	7,841,611	6,549,397	2,888,042	2,201,212
Net gain / (loss) from bonds held for trading	-	42	-	-
Other financial income/ (expenses), net	9,210,970	(18,151,908)	3,032,159	1,530,584
Profit / (loss) before taxation	44,190,848	1,978,852	27,742,675	2,799,242
Income tax expense	(5,665,860)	203,084	(2,408,987)	(1,087,373)
Profit for the period	38,524,988	2,181,936	25,333,688	1,711,869
Other comprehensive income:				
Total comprehensive income/ (loss) for the period	38,524,988	2,181,936	25,333,688	1,711,869
Profit / (loss) is attributable to:				
Owners of ROS AGRO PLC	36,726,077	2,141,735	23,531,678	1,721,833
Non-controlling interest	1,798,911	40,201	1,802,010	(9,964)
Profit / (loss) for the period	38,524,988	2,181,936	25,333,688	1,711,869
Total comprehensive income/ (loss) is attributable to:				
Owners of ROS AGRO PLC	36,726,077	2,141,735	23,531,678	1,721,833
Non-controlling interest	1,798,911	40,201	1,802,010	(9,964)
Total comprehensive income/ (loss) for the period	38,524,988	2,181,936	25,333,688	1,711,869
Earnings per ordinary share for profit attributable to the equity holders of ROS AGRO PLC, basic and diluted (in RR per share)	1,364.96	79.60	874.58	63.99

Appendix 2. Segment information for the Nine months ended 30 September 2023 (in RUB thousand)

9M 2023	Sugar	Meat	Agriculture	Oil and Fat	NMGK	Other	Eliminations	Total
Sales	37,288,831	35,563,015	23,789,316	76,143,906	14,971,207	1,461,481	(10,994,223)	178,223,533
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	3,336,936	5,545,749	-	-	-	(249,409)	8,633,276
Cost of sales	(24,211,627)	(32,932,963)	(17,282,652)	(60,547,961)	(9,900,455)	(978,617)	8,657,205	(137,197,070)
<i>incl. Depreciation</i>	<i>(1,562,577)</i>	<i>(3,509,824)</i>	<i>(1,388,851)</i>	<i>(2,542,171)</i>	<i>(193,971)</i>	<i>(14,319)</i>	<i>(25,433)</i>	<i>(9,237,146)</i>
Net loss from trading derivatives	-	-	(205)	-	-	-	-	(205)
Gross profit / (loss)	13,077,204	5,966,988	12,052,208	15,595,945	5,070,752	482,864	(2,586,427)	49,659,534
Distribution and Selling, General and administrative expenses	(3,704,007)	(2,973,623)	(4,338,532)	(8,456,871)	(2,605,234)	(1,514,285)	3,450,067	(20,142,485)
<i>incl. Depreciation</i>	<i>(49,063)</i>	<i>(93,714)</i>	<i>(150,893)</i>	<i>(679,557)</i>	<i>(66,331)</i>	<i>(119,331)</i>	<i>25,433</i>	<i>(1,133,456)</i>
Other operating income/(expenses), net	469,746	322,955	695,833	(1,214,401)	34,170	10,416,387	(7,537,533)	3,187,157
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>91,578</i>	<i>27,028</i>	<i>554,518</i>	<i>239,695</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>912,819</i>
incl. Other adjustments to EBITDA (non-recurring items)	73,896	294,262	27,362	(412,939)	14,358	10,490,541	(6,679,103)	3,808,377
(Provision)/reversal of provision for impairment of loans issued	-	-	-	-	-	-	-	-
Operating profit / (loss)	9,842,943	3,316,320	8,409,509	5,924,673	2,499,688	9,384,966	(6,673,893)	32,704,206
Adjustments:								
Depreciation included in Operating profit	1,611,640	3,603,538	1,539,744	3,221,728	260,302	133,650	-	10,370,602
Other adjustments to EBITDA (non-recurring items)	(73,896)	(294,262)	(27,362)	412,939	(14,358)	(10,490,541)	6,679,103	(3,808,377)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(3,336,936)	(5,545,749)	-	-	-	249,409	(8,633,276)
Provision/(reversal of provision) for impairment of loans issued	-	-	-	-	-	-	-	-
Adjusted EBITDA*	11,380,687	3,288,660	4,376,142	9,559,340	2,745,632	(971,925)	254,619	30,633,155

Appendix 2. Segment information for the Nine months ended 30 September 2022 (in RUB thousand)

9M 2022	Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total
Sales	37,679,456	31,795,070	17,122,958	102,365,639	912,968	(7,849,485)	182,026,606
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(330,180)	1,384,987	-	-	(3,142,037)	(2,087,230)
Cost of sales	(21,539,049)	(32,056,165)	(8,865,139)	(86,611,161)	(715,882)	10,435,519	(139,351,877)
<i>incl. Depreciation</i>	<i>(1,757,961)</i>	<i>(3,645,532)</i>	<i>(1,034,742)</i>	<i>(2,704,400)</i>	<i>(13,558)</i>	<i>(3,561)</i>	<i>(9,159,754)</i>
Net loss from trading derivatives	-	-	-	-	-	-	-
Gross profit / (loss)	16,140,407	(591,275)	9,642,806	15,754,478	197,086	(556,003)	40,587,499
Distribution and Selling, General and administrative expenses	(3,941,024)	(2,404,769)	(2,930,980)	(8,200,243)	(1,432,148)	1,776,963	(17,132,201)
<i>incl. Depreciation</i>	<i>(44,458)</i>	<i>123,085</i>	<i>(115,412)</i>	<i>(521,583)</i>	<i>(73,746)</i>	<i>3,561</i>	<i>(628,553)</i>
Other operating income/(expenses), net	(325,100)	695,928	599,093	(2,483,436)	14,491,148	(17,075,934)	(4,098,301)
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>143,634</i>	<i>15,209</i>	<i>62,358</i>	<i>244,644</i>	-	-	<i>465,845</i>
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	<i>(378,202)</i>	<i>542,735</i>	<i>330,539</i>	<i>(2,413,538)</i>	<i>14,419,308</i>	<i>(16,638,880)</i>	<i>(4,138,038)</i>
Operating profit / (loss)	11,874,283	(2,300,116)	7,310,919	5,070,799	13,256,086	(15,854,974)	19,356,997
Adjustments:							
Depreciation included in Operating Profit	1,802,419	3,522,447	1,150,154	3,225,983	87,304	-	9,788,307
Other adjustments to EBITDA (non-recurring items)	378,202	(542,735)	(330,539)	2,413,538	(14,419,308)	16,638,880	4,138,038
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	330,180	(1,384,987)	-	-	3,142,037	2,087,230
Adjusted EBITDA*	14,054,904	1,009,776	6,745,547	10,710,320	(1,075,918)	3,925,943	35,370,572

**Appendix 3. Consolidated statement of financial position as at 30 September 2023
(in RUB thousand)**

	30 September 2023	31 December 2022
ASSETS		
Current assets		
Cash and cash equivalents	24,496,334	21,473,030
Restricted cash	0	0
Short-term investments	85,686,937	91,382,536
Trade and other receivables	18,205,907	24,176,680
Prepayments	5,924,015	13,435,149
Current income tax receivable	439,324	832,423
Other taxes receivable	6,609,740	8,360,935
Inventories and short-term biological assets	100,774,682	78,580,317
Other current assets	5,709,824	4,126,715
Total current assets	247,846,763	242,367,785
Non-current assets		
Property, plant and equipment	138,498,042	121,165,803
Inventories intended for construction	435,311	864,550
Right-of-use assets	6,935,586	6,916,539
Goodwill	2,364,942	2,364,942
Advances paid for non-current assets	3,104,365	5,482,770
Long-term biological assets	2,682,618	3,240,959
Long-term investments and receivables	43,476,257	42,527,657
Investments in associates	562,323	455,916
Deferred income tax assets	3,825,309	5,964,527
Other intangible assets	2,038,203	1,284,263
Other non-current assets	557,362	190,978
Total non-current assets	204,480,318	190,458,904
Total assets	452,327,081	432,826,689

Appendix 3 (continued). Consolidated statement of financial position as at 30 September 2023 (in RUB thousand)

	30 September 2023	31 December 2022
LIABILITIES and EQUITY		
Current liabilities		
Short-term borrowings	133,225,875	172,351,514
Lease liabilities	824,283	863,452
Trade and other payables	23,947,133	17,024,472
Provisions	146,643	137,542
Current income tax payable	845,576	76,061
Other taxes payable	4,303,360	8,149,780
Total current liabilities	163,292,870	198,602,821
Non-current liabilities		
Long-term borrowings	61,241,606	61,038,393
Government grants	11,831,115	11,153,211
Lease liabilities	5,503,679	5,086,897
Deferred income tax liability	2,350,345	2,283,752
Total non-current liabilities	80,926,745	79,562,253
Total liabilities	244,219,615	278,165,074
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	1,363,177	1,363,177
Retained earnings	163,569,603	126,843,525
Equity attributable to owners of ROS AGRO PLC	191,418,921	154,692,843
Non-controlling interest	16,688,545	(31,228)
Total equity	208,107,466	154,661,615
Total liabilities and equity	452,327,081	432,826,689

Appendix 4. Consolidated statement of cash flows the Nine months ended 30 September 2023 (in RUB thousand) – NOT IFRS PRESENTATION (*)

	Nine months ended	
	30 September 2023	30 September 2022
Cash flows from operating activities		
Profit/(loss) before income tax	44,190,848	1,978,852
<i>Adjustments for:</i>		
Depreciation and amortization	10,370,602	9,788,305
Interest expense	12,855,702	14,932,517
Government grants	(8,694,317)	(10,131,758)
Interest income	(7,841,611)	(6,549,398)
Loss/ (gain) on disposal of property, plant and equipment	(128,107)	(467,203)
Net (gain) / loss on revaluation of biological assets and agricultural produce	(8,633,276)	2,087,230
Change in provision for impairment of loans issued	(137)	(3,385)
Interest expense on leases	436,287	420,998
Change in provision for net realisable value of inventory	757,073	646,480
Change in provision for impairment of receivables and prepayments	1,672,117	52,771
Foreign exchange (gain)/ loss, net	(11,996,572)	20,856,051
Lost / (reversal of) harvest write-off	1,090,868	24,797
Net (gain) / loss from bonds held for trading	-	(42)
Settlement of loans and accounts receivable previously written-off	(31,379)	-
Change in provision for impairment of advances paid for property, plant and equipment	41,771	(14,205)
Change in other provisions	9,101	(249,247)
Dividend income	(2,009,374)	(397,125)
Loss on disposal of other assets	456	(21,698)
Gain on SolPro loans redemption	(290,597)	(466,330)
Other non-cash and non-operating expenses, net	(517,798)	(60,856)
Operating cash flow before working capital changes	31,281,657	32,426,754
Change in trade and other receivables and prepayments	(2,708,396)	(19,210,644)
Change in other taxes receivable	2,292,896	(4,595,361)
Change in inventories and short-term biological assets	(1,837,837)	(5,424,747)
Change in trade and other payables	24,507,893	737,498
Change in other taxes payable	(3,448,127)	5,497,785
Cash generated from operations	50,088,086	9,431,285
Income tax paid	(2,708,701)	(1,512,818)
Net cash from operating activities	47,379,385	7,918,467

Appendix 4 (continued). Consolidated statement of cash flows the Nine months ended 30 September 2023 (in RUB thousand) – NOT IFRS PRESENTATION (*)

	Nine months ended	
	30 September 2023	30 September 2022
Cash flows from investing activities		
Purchases of property, plant and equipment	(16,989,649)	(7,433,806)
Purchases of other intangible assets	(670,539)	(690,318)
Purchases of land lease rights	(23,229)	(24,968)
Proceeds from sales of property, plant and equipment	547,677	479,519
Purchases of inventories intended for construction	(194,573)	(208,440)
Purchases of associates	(106,407)	(96,134)
Purchases of other investments	(500,000)	-
Dividends received	2,009,374	722,768
Other investing activities	307,164	499,129
Net cash from investing activities	(15,620,182)	(6,752,250)
Cash flows from financing activities		
Proceeds from borrowings	87,870,377	99,630,403
Repayment of borrowings	(159,841,772)	(28,134,987)
Interest paid	(4,353,398)	(4,842,909)
Change in cash on bank deposits	32,810,140	(29,691,928)
Proceeds from sales of bonds with maturity over three months*	-	140,783
Loans given*	(3,500)	(15,445,102)
Loans repaid*	743,500	1,377,321
Interest received*	6,683,330	5,512,854
Proceeds from government grants	1,007,803	636,607
Repayment of lease liabilities - principal	(255,584)	(435,240)
Other financial activities	(28,294)	312
Net cash from financing activities	(35,367,398)	28,748,114
Net effect of exchange rate changes on cash and cash equivalents	6,631,499	(17,176,603)
Net increase/ (decrease) in cash and cash equivalents	3,023,304	12,737,728
Cash and cash equivalents at the beginning of the period	21,473,030	46,462,179
Cash and cash equivalents at the end of the period	24,496,334	59,199,907

(*) 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.