



## Cherkizovo Group Announces first half 2022 Financial Results

**Moscow, Russia – August 22, 2022– PJSC Cherkizovo Group (MOEX: GCHE), the largest vertically integrated meat producer in Russia, today announces its unaudited consolidated IFRS results for the first half of 2022.**

### First half financial highlights

- Revenue increased by 20.1% year-on-year (y-o-y) to RUB 88.9 billion.
- Gross profit of RUB 19.2 billion declined by 20.6% compared to a year ago result.
- Adjusted EBITDA\* increased by 12.1% y-o-y to RUB 12.4 billion. Adjusted EBITDA margin contracted to 13.9%, from 14.9% in 1H21.
- The Group's net profit RUB of 6.9 billion, declined by 48.9% compared to 1H21. Adjusted net profit\*\* totaled RUB 6.3 billion, up 17.5% from 1H21.

### First half corporate highlights

- On June 3<sup>rd</sup>, Expert RA has affirmed company's credit rating at ruA+ and revised its outlook from stable to positive.

### Key corporate highlights after the reporting period

- On August 11<sup>th</sup>, Cherkizovo launched its own oil extraction plant, Russia's largest high-protein oilseed processing facility with a capacity of about 1 million tonnes of soybeans per year (2,500 tonnes per day).

### Financial summary

RUB mln	1H 2022	1H 2021	y-o-y, %
<b>Revenue</b>	<b>88 919</b>	<b>74 032</b>	<b>20.1%</b>
Net change in fair value of biological assets	752	8 395	-91.0%
Net revaluation of harvested crops in stock	(2 078)	(2 263)	-8.2%
<b>Gross profit</b>	<b>19 153</b>	<b>24 128</b>	<b>-20.6%</b>
<i>Gross margin</i>	<i>21.5%</i>	<i>32.6%</i>	<i>-11.1 p.p.</i>
Operating expenses, net	(11 265)	(8 964)	25.7%
Share of adjusted EBITDA of a joint venture and associates	141	196	-28.1%
<b>Adjusted operating profit <sup>1</sup></b>	<b>7 253</b>	<b>6 692</b>	<b>8.4%</b>
<i>Adjusted operating margin</i>	<i>8.2%</i>	<i>9.0%</i>	<i>-0.8 p.p.</i>
<b>Adjusted EBITDA <sup>1</sup></b>	<b>12 362</b>	<b>11 030</b>	<b>12.1%</b>
<i>Adjusted EBITDA margin</i>	<i>13.9%</i>	<i>14.9%</i>	<i>-1.0 p.p.</i>
Profit before income tax	7 105	13 498	-47.4%
<b>Net profit</b>	<b>6 877</b>	<b>13 447</b>	<b>-48.9%</b>
<b>Adjusted Net profit <sup>1</sup></b>	<b>6 285</b>	<b>5 350</b>	<b>17.5%</b>
<b>Net operating cash flow</b>	<b>(1 205)</b>	<b>8 543</b>	<b>n.a.</b>
<b>Net debt <sup>1</sup></b>	<b>94 373</b>	<b>71 785</b>	

<sup>1</sup> In line with the Group's management accounting practices and described herein (\*, \*\*, \*\*\*, \*\*\*\*) in more detail, Adjusted operating profit, EBITDA and Adjusted Net profit don't include the net change in fair value of biological assets and certain other items.



## **Revenue**

In the first half of the year revenue increased by 20.1% y-o-y to RUB 88.9 billion (1H21: RUB 74.0 billion). Revenue growth is attributed to better results of the chicken and RTE meat processing segments, as well as number of acquisitions that positively affected revenues in the reported period.

## **Gross profit**

Gross profit declined by 20.6% y-o-y to RUB 19.2 billion, (1H21: RUB 24.1 billion). Lower gross profit was driven by better revenues across segments in the first half of 2022, offset by higher costs for raw materials, and lower net change in fair value of biological assets. Gross profit margin declined to 21.5% (1H21: 32.6%).

## **Operating expenses**

Operating expenses increased by 25.7% y-o-y to RUB 11.3 billion from RUB 9.0 billion a year ago, fuelled by higher personnel and transportation costs, coupled by inflation in material costs. Operating expenses as a percentage of sales increased from a year ago result and amounted to 12.7% (1H21: 12.1%).

## **Adjusted operating profit**

Adjusted operating profit of RUB 7.3 billion increased by 8.4% y-o-y from RUB 6.7 billion a year ago. Adjusted operating profit excludes net change in fair value of biological assets of the Group's segments of RUB 0.8 billion and JV result of negative RUB 0.2 billion.

## **Adjusted EBITDA**

Adjusted EBITDA of RUB 12.4 billion, up by 12.1% compared with a year ago result of RUB 11.0 billion. Adjusted EBITDA margin declined to 13.9% (1H21: 14.9%) as higher profitability of the chicken and RTE meat processing segments were offset by lower results in the pork and grain segments.

## **Interest expense**

Net interest expense of RUB 2.4 billion increased by 54.0% compared to a year ago results, as increase of both the gross debt, and market interest rates.

## **Net profit**

Net profit for the Group totaled RUB 6.9 billion in 1H22, a decline of 48.9% compared to RUB 13.5 billion in 1H21. Net profit margin amounted to 7.7%, compared to 18.2% a year ago.

Adjusted net profit was up by 17.5% y-o-y to RUB 6.3 billion, from RUB 5.4 billion a year ago. Adjusted net profit margin declined to 7.1% from 7.2% a year ago.

## **Cash flow**

Operating cash flow turned to negative RUB 1.2 billion (1H21: RUB 8.5 billion), driven by lower profitability and working capital investments.

## **Capital expenditure and debt**

The Group's capital expenditure on property, plant, equipment and maintenance amounted to RUB 8.3 billion during first half of 2022 on the back of the acquisitions and our investments in construction of the oil-extracting plant.

As of June 30, 2022, net debt\*\*\*\* was RUB 94.4 billion, compared to RUB 71.8 billion a year ago. Gross debt increased to RUB 98.3 billion as of June 30, 2022, compared to



RUB 81.3 billion a year ago. At the end of 1H22, long-term debt accounted for 39.0% of the debt portfolio and amounted to RUB 38.3 billion. The effective cost of debt\*\*\*\*\* was 4.1% as of June 30, 2022. Subsidized loans and credit facilities made up 52% of the debt portfolio in 2022.

### Net change in fair value of biological assets

Net change in fair value of biological assets is explained mainly lower valuation of the biological assets in the Chicken and Pork segments.

### Business segments

Segments	Sales volume		Change y-o-y, %	Revenue <sup>2</sup>		Change y-o-y, %
	1H22, k ton	1H21, k ton		6M22, RUB mln	6M21, RUB mln	
Chicken	354.7	359.7	-1.4%	51 608	46 418	11.2%
Turkey	38.0	23.7 <sup>3</sup>	60.4%	7 845	4 276	83.5%
Pork	65.8	64.9	1.4%	12 348	10 911	13.2%
RTE Meat Processing	62.6	60.4	3.6%	17 053	12 441	37.1%

<sup>2</sup> Revenue denotes external sales

<sup>3</sup> Sales volume of Turkey in 1H21 represent volumes sold via Trading vehicle of Cherkizovo, before the segment was formed in 2022

### Chicken Segment

Sales volumes in 1H22 declined by 1.4% to 354.7 thousand tonnes (1H21:359.7 thousand tonnes) and the average selling price increased by 11.8% y-o-y to 144.9 RUB/kg, with foodservice and exports sales growing double digit compared to the first half of 2021. As a result, the segment's revenue increased by 11.2% and amounted to RUB 51.6 billion (1H21: RUB 46.4 billion).

Net change in fair value of biological assets amounted to negative RUB 2.2 billion, compared to a negative number of RUB 1 million in 1H21.

Gross profit declined by 1.2% y-o-y and totaled RUB 10.8 billion (1H21: RUB 11.0 billion) driven by sales growth which was offset by inflation of feed costs and other input components. Gross margin declined to 20.5%, from 23.2% in 1H21.

Operating expenses as a percentage of sales increased to 9.0% compared to 8.1% a year ago. Operating profit declined to RUB 6.1 billion (1H21: RUB 7.1 billion). Operating profit margin declined to 11.5% from 15.1% in 1H21.

Adjusted EBITDA of RUB 10.4 billion increased by 16.4% y-o-y (1H21: RUB 9.0 billion), while Adjusted EBITDA margin strengthened to 19.7%, a 75 basis point increase from a year ago result.

### Pork Segment

Sales volumes in 1H22 increased by 1.4% y-o-y, to 65.8 thousand tonnes (1H21: 64.9 thousand tonnes), mostly due to full consolidation of Samson – Food products since April, 2022 (prior, the results of Samson – Food Products were reported as an associate). The average selling price of the live pork increased by 10% y-o-y to 111.0 RUB/kg, the average selling price of the carcass remained unchanged at 156.8 RUB/kg, and blended



average selling price for B2B/B2C pork products increased by 7% y-o-y. We also increased sales of pork by-products; as a result, the segment's revenue increased by 13.2% y-o-y to RUB 12.3 billion (1H21: RUB 10.9 billion).

Net change in fair value of biological assets was negative and amounted to RUB 1.9 billion, compared to positive result of RUB 0.9 billion a year ago.

Gross profit of RUB 0.4 billion declined by 92.3% compared to RUB 5.1 billion in 1H21, as higher costs and negative net change in fair value of biological assets depressed the results of the segment. The segment's gross margin contracted to 2.3%, from 31.1% a year ago.

Operating loss amounted to RUB 0.4 billion, compared to operating profit of RUB 4.3 billion a year ago. The segment's operating margin turned to negative 2.4% from positive result of 26.7% a year ago.

Adjusted EBITDA contracted to RUB 2.8 billion compared to a year ago result of RUB 4.6 billion. Adjusted EBITDA margin declined to 15.9% from 28.6% in 1H21.

### **RTE Meat Processing Division**

Sales volumes in 1H22 increased by 3.6% y-o-y to 62.6 thousand tonnes (1H21: 60.4 thousand tonnes). The average selling price increased by 33.0% y-o-y to 274.3 RUB/kg (1H21: 206.0 RUB/kg), partially due to improvements in the sales mix of the segment, and driving overall revenue up by 37.1% y-o-y, that reached RUB 17.1 billion (1H21: RUB 12.4 billion).

Gross profit amounted to RUB 3.0 billion (1H21: RUB 0.7 billion) driven by higher sales in the segment. Consequently, gross margin amounted to 17.3%, compared to 5.8% a year ago.

Operating expenses increased by 18.2% y-o-y and amounted to 13.7% as a percentage of sales (1H21: 16.1%).

Operating profit totalled RUB 0.6 billion compared to a loss of RUB 1.3 billion in 1H21.

Adjusted EBITDA turned positive and amounted to RUB 1.1 billion compared to a negative result of RUB 0.8 billion in 1H21.

### **Turkey**

Starting with 1H22 financials and following acquisition 50% of Tambov Turkey, results of the turkey producing assets are now reported in the separate segment "Turkey" consisting of the production of feed for the segment's internal use, breeding, raising and processing turkey, as well as sales of chilled turkey products.

Sales volumes in 1H22 amounted to 38.0 thousand tonnes, while the average selling price was 203.6 RUB/kg. The sales of the segment were RUB 7.8 billion. Gross profit amounted to RUB 1.1 billion, with gross profit margin of 14.1%. Operating expenses were 9.6% as a percentage of sales, and operating profit totalled RUB 0.4 billion. Adjusted EBITDA of RUB 0.3 billion was affected by RUB 0.6 billion of net change in fair value of biological assets.



For more information, please visit [www.cherkizovo.com](http://www.cherkizovo.com) or contact:

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### **About Cherkizovo Group**

Cherkizovo is the largest protein producer in Russia. Our vertically integrated business model covers all stages of meat production. The company controls c. 300K hectares of land farming grains and soy, is entirely self-sufficient in animal feed production, owns chicken and pork breeding operations coupled with slaughter and meat-processing plants. Petelinka, Chicken Kingdom, Pava-Pava, and Cherkizovo branded products are catered to domestic consumers and distributed via retail nationwide. We also serve foodservice and export clients.

Cherkizovo Group shares are traded on the Moscow Exchange (MOEX).

*Some figures in this press-release are rounded for the reader's convenience.*

*Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of Cherkizovo Group. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might" the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industry, as well as many other risks specifically related to Cherkizovo Group and its operations.*

**Non-IFRS financial measures.** *This press release includes financial information prepared in accordance with international financial reporting standards, or IFRS, as well as other financial measures referred to as non-IFRS. The non-IFRS financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS.*

**\* Adjusted Earnings before Interest, Income Tax, Depreciation and Amortization ("Adjusted EBITDA").** *Adjusted EBITDA is defined as profit for the period before income tax expense/benefit, interest income and interest expense, net, foreign exchange loss/gain, depreciation and amortization expense, net change in fair*



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value of biological assets, bonuses to employees under long-term incentive program and share of profit/loss of joint ventures and associates plus share of adjusted EBITDA of joint ventures and associates and depreciation and amortization accumulated in harvested crops in stock as shown in the reconciliation in Appendix 1. Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of our net revenues. Our adjusted EBITDA may not be similar to adjusted EBITDA measures of other companies; is not a measurement under IFRS accounting principles and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of operations. 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 and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Our adjusted EBITDA calculation is commonly used as one of the bases for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within our industry. Adjusted EBITDA is reconciled to our consolidated statements of operations in Appendix 1.

**\*\* Adjusted Net profit** is defined as profit for the period before net change in fair value of biological assets recognized by the Group as well as by the Group's joint ventures and associates and non-recurring impairment loss recognized for non-operational items of property, plant and equipment. Adjusted Net profit margin is defined as Adjusted Net profit as a percentage of our net revenues. Our Adjusted Net profit may not be similar to Adjusted Net profit measures of other companies; is not a measurement under IFRS accounting principles and should be considered in addition to, but not as a substitute for, the information contained in our consolidated financial statements. We believe that Adjusted Net profit provides useful information to investors in order to estimate dividend payout.

**\*\*\* Adjusted Operating profit** is defined as operating profit for the period before net change in fair value of biological assets recognized by the Group as well as by the Group's joint ventures and associates and non-recurring impairment loss recognized for non-operational items of property, plant and equipment. Adjusted Operating profit margin is defined as Adjusted Operating profit as a percentage of our net revenues. Our Adjusted Operating profit may not be similar to Adjusted Operating profit measures of other companies; is not a measurement under IFRS accounting principles and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of operations. We believe that Adjusted Operating profit provides useful information to investors in order to better gauge underlying operating performance of the business.

**\*\*\*\* Net debt** is calculated as total debt minus cash and cash equivalents, short-term bank deposits and long-term bank deposits.

**\*\*\*\*\* Effective cost of debt** is calculated as last twelve months interest expense divided over the end of the period gross debt

**APPENDIX I: KEY DATA AND FIGURES,  
Unaudited 6 months 2022 Consolidated Selected Financial Data**

RUB mln	Chicken	Pork	RTE Meat Processing	Grain	Turkey	Total reporting segments	Corporate and Other	Intersegment	Total
<b>Total Sales</b>	<b>52 968</b>	<b>17 301</b>	<b>17 293</b>	<b>2 634</b>	<b>8 100</b>	<b>98 296</b>	-	<b>(9 377)</b>	<b>88 919</b>
Interdivision Sales	(1 360)	(4 953)	(240)	(2 038)	(255)	(8 846)	-	8 846	-
Sales to external customers	51 608	12 348	17 053	596	7 845	89 450	-	(531)	88 919
Net change in fair value of biological assets	(2 182)	(1 856)	-	4 172	618	752	-	-	752
Revaluation of harvested crops in stock	-	-	-	(1 284)	-	(1 284)	-	(794)	(2 078)
Cost of Sales	(39 943)	(15 055)	(14 303)	(1 736)	(7 574)	(78 611)	-	10 171	(68 440)
<b>Gross profit/(loss)</b>	<b>10 843</b>	<b>390</b>	<b>2 990</b>	<b>3 786</b>	<b>1 144</b>	<b>19 153</b>	-	-	<b>19 153</b>
Operating expenses	(4 768)	(812)	(2 372)	51	(776)	(8 677)	(2 588)	-	(11 265)
Share of loss of a joint ventures/equity investments	-	-	-	-	-	-	(43)	-	(43)
<b>Operating income/(loss)</b>	<b>6 075</b>	<b>(422)</b>	<b>618</b>	<b>3 837</b>	<b>368</b>	<b>10 476</b>	<b>(2 631)</b>	-	<b>7 845</b>
Depreciation and amortization	2 144	1 309	523	161	534	4 671	485	-	5 156
Net change in fair value of biological assets	2 182	1 856	-	(4 172)	(618)	(752)	-	-	(752)
Share of adjusted EBITDA of a joint venture	-	-	-	-	-	-	141	-	141
Other	18	7	2	(141)	1	(113)	85	-	(28)
<b>Adjusted EBITDA</b>	<b>10 419</b>	<b>2 750</b>	<b>1 143</b>	<b>(315)</b>	<b>285</b>	<b>14 282</b>	<b>(1 920)</b>	-	<b>12 362</b>



## UNAUDITED CONSOLIDATED INCOME STATEMENT DATA

RUB mln	6 months ended June 30, 2022	6 months ended June 30, 2021
<b>Sales</b>	<b>88 919</b>	<b>74 032</b>
Net change in fair value of biological assets	752	8 395
Net revaluation of harvested crops in stock	(2 078)	(2 263)
Cost of sales	(68 440)	(56 036)
<b>Gross profit</b>	<b>19 153</b>	<b>24 128</b>
Gross margin	21.5%	32.6%
Operating expenses	(11 265)	(8 964)
Share of loss of joint ventures and associates	(43)	(375)
<b>Operating profit</b>	<b>7 845</b>	<b>14 789</b>
Operating margin	8.8%	20.0%
<b>Profit before income tax</b>	<b>7 105</b>	<b>13 498</b>
<b>Profit attributable to Cherkizovo Group</b>	<b>6 877</b>	<b>13 447</b>
<i>Net profit margin</i>	<i>7.7%</i>	<i>18.2%</i>
Weighted average number of shares outstanding	42 118 147	41 047 014
<b>Earnings per share</b>		
<b>Profit attributable to Cherkizovo Group per share – basic and diluted (RUB)</b>	<b>163.28</b>	<b>327.60</b>
<b>Consolidated Adjusted EBITDA reconciliation</b>		
<b>Operating profit</b>	<b>7 845</b>	<b>14 789</b>
Add:		
Depreciation and amortization	5 156	3 993
Net change in fair value of biological assets	(752)	(8 395)
Share of adjusted EBITDA of joint ventures and associates	141	196
Other	(28)	447
<b>Consolidated Adjusted EBITDA</b>	<b>12 362</b>	<b>11 030</b>
<i>Adjusted EBITDA Margin</i>	<i>13.9%</i>	<i>14.9%</i>





## CHICKEN SEGMENT INCOME STATEMENT DATA

RUB mln	6 months ended June 30, 2022	6 months ended June 30, 2021
Total Sales	52 968	47 312
Interdivision sales	(1 360)	(894)
<b>Sales to external customers</b>	<b>51 608</b>	<b>46 418</b>
Net change in fair value of biological assets	(2 182)	(1)
Cost of sales	(39 943)	(36 341)
<b>Gross profit/(loss)</b>	<b>10 843</b>	<b>10 970</b>
<i>Gross margin</i>	20.5%	23.2%
Operating expenses	(4 768)	(3 822)
<b>Operating profit/(loss)</b>	<b>6 075</b>	<b>7 148</b>
<i>Operating margin</i>	11.5%	15.1%
Chicken division Adjusted EBITDA reconciliation		
<b>Operating profit/(loss)</b>	<b>6 075</b>	<b>7 148</b>
Add:		
Depreciation and amortization	2 144	1 741
Net change in fair value of biological assets	2 182	1
Other	18	62
<b>Chicken division Adjusted EBITDA</b>	<b>10 419</b>	<b>8 952</b>
<i>Adjusted EBITDA Margin</i>	19.7%	18.9%

**PORK SEGMENT INCOME STATEMENT DATA**

RUB mln	6 months ended June 30, 2022	6 months ended June 30, 2021
Total Sales	17 301	16 247
Interdivision sales	(4 953)	(5 336)
<b>Sales to external customers</b>	<b>12 348</b>	<b>10 911</b>
Net change in fair value of biological assets	(1 856)	903
Cost of sales	(15 055)	(12 095)
<b>Gross profit/(loss)</b>	<b>390</b>	<b>5 055</b>
<i>Gross margin</i>	2.3%	31.1%
Operating expenses	(812)	(711)
<b>Operating profit/(loss)</b>	<b>(422)</b>	<b>4 344</b>
<i>Operating margin</i>	-2.4%	26.7%
Pork division Adjusted EBITDA reconciliation		
<b>Operating profit/(loss)</b>	<b>(422)</b>	<b>4 344</b>
Add:		
Depreciation and amortization	1 309	1 194
Net change in fair value of biological assets	1 856	(903)
Other	7	9
<b>Pork division Adjusted EBITDA</b>	<b>2 750</b>	<b>4 644</b>
<i>Adjusted EBITDA Margin</i>	15.9%	28.6%

## RTE MEAT PROCESSING SEGMENT INCOME STATEMENT DATA

RUB mln	6 months ended June 30, 2022	6 months ended June 30, 2021
Total Sales	17 293	12 441
Interdivision sales	(240)	
<b>Sales to external customers</b>	<b>17 053</b>	<b>12 441</b>
Cost of sales	(14 303)	(11 721)
<b>Gross profit/(loss)</b>	<b>2 990</b>	<b>720</b>
<i>Gross margin</i>	17.3%	5.8%
Operating expenses	(2 372)	(2 007)
<b>Operating profit/(loss)</b>	<b>618</b>	<b>(1 287)</b>
<i>Operating margin</i>	3.6%	-10.3%
RTE Meat processing division Adjusted EBITDA reconciliation		
<b>Operating profit/(loss)</b>	<b>618</b>	<b>(1 287)</b>
Add:		
Depreciation and amortization	523	480
Other	2	(2)
<b>RTE Meat processing division Adjusted EBITDA</b>	<b>1 143</b>	<b>(809)</b>
<i>Adjusted EBITDA Margin</i>	6.6%	-6.5%

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**GRAIN SEGMENT INCOME STATEMENT DATA**

RUB mln	6 months ended June 30, 2022	6 months ended June 30, 2021
Total Sales	2 634	2 066
Interdivision sales	(2 038)	(1 709)
<b>Sales to external customers</b>	<b>596</b>	<b>357</b>
Net change in fair value of biological assets	4 172	7 493
Net revaluation of harvested crops in stock	(1 284)	(667)
Cost of sales	(1 736)	(1 324)
<b>Gross profit/(loss)</b>	<b>3 786</b>	<b>7 568</b>
<i>Gross margin</i>	<i>143.7%</i>	<i>366.3%</i>
Operating income	51	77
<b>Operating profit/(loss)</b>	<b>3 837</b>	<b>7 645</b>
<i>Operating margin</i>	<i>145.7%</i>	<i>370.0%</i>
Grain division Adjusted EBITDA reconciliation		
<b>Operating profit/(loss)</b>	<b>3 837</b>	<b>7 645</b>
Add:		
Depreciation and amortization	161	155
Net change in fair value of biological assets	(4 172)	(7 493)
Other	(141)	(127)
<b>Grain division Adjusted EBITDA</b>	<b>(315)</b>	<b>180</b>
<i>Adjusted EBITDA Margin</i>	<i>-12.0%</i>	<i>8.7%</i>

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**APPENDIX II:  
 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
 INCOME FOR 6 MONTHS ENDED JUNE, 30 2022**

RUB mln	6 months ended June 30, 2022	6 months ended June 30, 2021
<b>Revenue</b>	<b>88 919</b>	<b>74 032</b>
Net change in fair value of biological assets	752	8 395
Net revaluation of harvested crops in stock	(2 078)	(2 263)
Cost of sales	(68 440)	(56 036)
<b>Gross profit</b>	<b>19 153</b>	<b>24 128</b>
Selling, general and administrative expense	(11 148)	(9 178)
Other operating income, net	(117)	214
Share of loss of joint ventures and associates	(43)	(375)
<b>Operating profit</b>	<b>7 845</b>	<b>14 789</b>
Interest income	197	80
Interest expense, net	(2 394)	(1 555)
Other income, net	1 457	184
Profit before income tax	7 105	13 498
Income tax expense	(169)	(97)
<b>Profit for the period and total comprehensive income</b>	<b>6 936</b>	<b>13 401</b>
<b>Profit and total comprehensive income, attributable to Cherkizovo Group</b>	<b>6 877</b>	<b>13 447</b>
<b>Non-controlling interests</b>	<b>59</b>	<b>(46)</b>

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**APPENDIX III:**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2022**

RUB mln	30 June, 2022	31 December, 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	118 382	103 185
Investment property	461	469
Right-of-use assets	4 875	4 254
Goodwill	1 851	1 851
Intangible assets	2 849	2 565
Non-current biological assets	2 212	2 697
Investments in joint ventures and associates	402	3 849
Deferred tax assets	2 032	1 974
Other non-current assets	649	1 155
<b>Total non-current assets</b>	<b>133 713</b>	<b>121 999</b>
<b>Current assets</b>		
Biological assets	29 252	20 269
Inventories	27 601	25 046
Taxes recoverable and prepaid	3 565	2 829
Trade receivables	7 310	8 708
Advances paid	3 399	2 075
Other receivables	767	1 021
Cash and cash equivalents	3 888	10 884
Short-term deposits in banks	-	641
Other current assets	1 452	1 346
<b>Total current assets</b>	<b>77 234</b>	<b>72 819</b>
<b>TOTAL ASSETS</b>	<b>210 947</b>	<b>194 818</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2022**  
**Continued**

RUB mln	30 June, 2022	31 December, 2021
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	-	-
Additional paid-in capital	5 643	2 252
Retained earnings	84 218	77 337
<b>Total shareholder's equity</b>	<b>89 861</b>	<b>79 589</b>
Non-controlling interest	451	727
<b>Total equity</b>	<b>90 312</b>	<b>80 316</b>
<b>Non-current liabilities</b>		
Long-term borrowings	35 122	41 264
Long-term lease liabilities	3 168	2 810
Deferred tax liability	1 170	1 233
Other liabilities	196	126
<b>Total non-current liabilities</b>	<b>39 656</b>	<b>45 433</b>
<b>Current liabilities</b>		
Short-term borrowings	58 809	42 755
Short-term lease liabilities	1 162	912
Trade payables	11 901	18 293
Advances received	1 313	1 789
Payables for non-current assets	975	1 051
Tax related liabilities	2 863	1 591
Payroll related liabilities	3 405	2 196
Other payables and accruals	551	482
<b>Total current liabilities</b>	<b>80 979</b>	<b>69 069</b>
<b>Total liabilities</b>	<b>120 635</b>	<b>114 502</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>210 947</b>	<b>194 818</b>

**APPENDIX IV:  
 CONSOLIDATED STATEMENT OF CASH FLOWS FOR 6 MONTHS ENDED JUNE, 2022**

RUB mln	6 months ended June 30, 2022	6 months ended June 30, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before income tax</b>	<b>7 105</b>	<b>13 498</b>
Adjustments for:		
Depreciation and amortization	5 156	3 993
Change in allowance for expected credit losses	10	15
Foreign exchange gain, net	(1 455)	(182)
Interest income	(197)	(80)
Interest expense, net	2 394	1 555
Net change in fair value of biological assets	(752)	(8 395)
Revaluation of harvested crops in stock	2 078	2 263
Gain on disposal of property, plant and equipment, net	(38)	(57)
Loss on disposal of non-current biological assets, net	298	71
Share of loss of a joint venture and associates	43	375
Other adjustments, net	94	140
<b>Operating cash flows before working capital and other changes</b>	<b>14 736</b>	<b>13 196</b>
(Increase)/decrease in inventories	(3 261)	1 672
Increase in biological assets	(5 655)	(3 670)
Decrease/(increase) in trade receivables	1 355	(102)
Increase in advances paid	(1 146)	(636)
Increase in other receivables and other current assets	(419)	(485)
Decrease in trade payables	(6 062)	(449)
Increase in tax related liabilities (other than income tax)	1 081	414
Increase in other current payables	596	278
<b>Operating cash flows before interest and income tax</b>	<b>1 225</b>	<b>10 218</b>
Interest received	191	67
Interest paid	(2 563)	(1 541)
Government grants for compensation of interest expense received	64	86
Income tax paid	(122)	(287)
<b>Net cash (used in)/from operating activities</b>	<b>(1 205)</b>	<b>8 543</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR 6 MONTHS ENDED JUNE 30, 2022  
 CONTINUED**

RUB mln	6 months ended June 30, 2022	6 months ended June 30, 2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(6 708)	(6 825)
Purchases of non-current biological assets	(1 197)	(971)
Purchases of intangible assets	(513)	(213)
Proceeds from sale of property, plant and equipment	127	224
Proceeds from disposal of non-current biological assets	617	376
Acquisition of subsidiaries	(472)	(2 630)
Investments in joint ventures and associates	-	(210)
Placing of deposits and notes receivable and issuance of loans	(240)	(131)
Proceeds from repayment of loans issued and redemption of deposits	689	-
<b>Net cash used in investing activities</b>	<b>(7 697)</b>	<b>(10 380)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term loans	1 921	1 644
Repayment of long-term loans	(4 339)	(1 802)
Proceeds from short-term loans	58 366	33 459
Repayment of short-term loans	(52 963)	(23 634)
Repayment of lease obligations	(541)	(195)
Dividends paid	-	(5 500)
Purchase of non-controlling interests	(538)	-
<b>Net cash from financing activities</b>	<b>1 906</b>	<b>3 972</b>
<b>Net increase in cash and cash equivalents</b>	<b>(6 996)</b>	<b>2 135</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>10 884</b>	<b>6 718</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3 888</b>	<b>8 853</b>