



## **Cherkizovo Group Announces Financial Results for the fourth quarter and full year 2018.**

**Moscow, Russia – February 14, 2019– PJSC Cherkizovo Group (MOEX: GCHE), the largest vertically integrated meat producer in Russia, today announces its audited consolidated IFRS results for the fourth quarter and full year ending December 31, 2018**

### **Fourth quarter financial highlights**

- Revenue increased by 31.0% year-on-year (y-o-y) to RUB 31.9 billion.
- Net change in fair value of biological assets amounted to negative RUB 2.0 billion, compared to RUB 0.9 billion in 4Q17. Revaluation of harvested crops in stock changed to negative RUB 0.4 billion from negative RUB 1.3 billion in 4Q17.
- Gross profit of RUB 7.7 billion up by 33.5% compared to 4Q17.
- Adjusted EBITDA\* up by 179.0% y-o-y to RUB 6.8 billion. Adjusted EBITDA margin expanded to 21.2% from 10.0% in 4Q17.
- Net profit increased to RUB 1.6 billion from RUB 0.2 billion in 4Q17. Adjusted net profit\*\* amounted to RUB 3.6 billion, compared to RUB 0.7 loss a year ago.
- Net operating cash flow increased by 114.1% to RUB 6.8 billion.

### **2018 financial highlights**

- Revenue increased by 13.5% y-o-y to RUB 102.6 billion from RUB 90.5 billion in 2017.
- Net change in fair value of biological assets amounted to RUB 1.8 billion, compared to RUB 0.7 billion in 2017. Revaluation of harvested crops in stock totalled RUB 2.2 billion, up from negative RUB 0.9 billion in 2017.
- Gross profit was up by 35.5% y-o-y to 31.9 billion from RUB 23.6 billion in 2017.
- Adjusted EBITDA increased by 39.4% and amounted to RUB 20.4 billion. Adjusted EBITDA margin advanced to 19.9%.
- Net profit more than doubled compared to 2017 result and reached RUB 12.0 billion. Adjusted net profit increased by 100.7% to RUB 10.2 billion, from RUB 5.1 billion a year ago.
- Net operating cash flow was higher by 8.9% and amounted to RUB 14.2 billion.
- Net debt\*\*\* amounted to RUB 58.6 billion as of December 31, 2018, and net debt/EBITDA improved to 2.9x from 3.3x a year ago.



## 2018 corporate highlights

- During the year the company launched seven new wean-to-finish facilities.
- On July 17<sup>th</sup> the Company started a fully automated robotic meat processing plant in Kashira, in the Moscow Region.
- On October 23<sup>rd</sup> Cherkizovo acquired poultry breeder assets of Krasnoyarskiy Broiler in Belgorod region, with hatching eggs production capability of 80 mln eggs/year for cash consideration of RUB 1.8 billion.
- On November 28<sup>th</sup> the Company acquired 100% of Altaisky Broiler, a poultry producer located in the Siberian Federal District, capable of producing 58 thousand tonnes of finished products for cash consideration of RUB 4.6 billion.
- On December 21<sup>st</sup>, the Group acquired Rosselkhozbank's rights to claim debts from LLC "Belaya Ptitsa Kursk" and related security agreements for RUB 5.6 billion.
- On December 25<sup>th</sup> Cherkizovo acquired 75% of Samson – Food Products, a group of companies based in St Petersburg and offering meat products under such brands as Samson, Fileya and others for cash consideration of RUB 0.35 billion, excluding debt of RUB 0.55 billion.

## Key corporate highlights after reporting period

- On February 13<sup>th</sup> Board of Directors recommended to AGM to pay dividends in the amount of RUB 101.63 per share, in addition to interim dividends of RUB 20.48 per share announced in September 2018.

## Sergei Mikhailov, CEO of Cherkizovo, commented:

"We are pleased to announce our exceptional 2018 results, and attribute them to investments we've made in recent years, and steps we've taken to focus our strategy to strengthen Company's business model, against the backdrop of gradually improving consumer demand, volatile grain markets, weakening local currency and some market supply dislocations.

A few developments were particularly instrumental to our operating and financial results performance. A relentless focus on brand development for chicken meat products paid back via the significant increase of Petelinka and Chicken Kingdom sales, rising 35% and 24%, respectively, with growth achieved through the modern retail trade channel. We also broadened our portfolio of products catering to HoReCa clients, where the focus remains on quick service restaurants, which delivered 44% sales growth. By the end of 2018, our live pork production system achieved its targeted capacity of 300 thousand tons per annum, with the majority of planned wean-to-finish facilities now built and populated. Profitability of the pork segment remains well above plan as we focus on sustaining cost leadership in the industry, and our operational efficiency is underpinned by multi-year concentrated efforts at implementing best practices and our utilizing state-of-the-art asset base. Kashira-1, a dry sausage facility launched in summer near Moscow, and aims to be fully ramped up in 2019, thereby enhancing our ability to offer consumer dry sausages products, a niche where we remain the leader domestically. Grain segment contributed materially to overall company performance, as we optimized crop structure in favor of wheat growing, and grains prices gained with the arrival of 2017/18 harvest.

Our strong organic growth and increasing market share were bolstered by material acquisitions, completed at the end of 2018. Altaisky Broiler, a poultry producer with strong existing brand portfolio, will set the stage for the Company's geographic expansion into the Siberian region, where our main clients, federal retail chains, have



been expanding recently. This acquisition is coupled with the purchase of poultry breeder facility of Krasnoyarskiy broiler which supplies hatching eggs to Altaisky Broiler and other current assets of the Company. We also acquired the rights to claim debt from Belaya Ptitsa Kursk, which is expected to add significant modern broiler breeding operations and versatile processing plant, capable to produce value-added, HoReCa, and products aimed to export markets. Samson Food Products will augment our growing presence in Saint Petersburg and broader Northwestern region markets, adding premium well-known deli brands to our portfolio."

### Financial summary

RUB mln	4Q 2018	4Q 2017	Y-o-Y, %	2018	2017	Y-o-Y, %
<b>Revenue</b>	<b>31 892</b>	<b>24 336</b>	<b>31.0%</b>	<b>102 639</b>	<b>90 465</b>	<b>13.5%</b>
Net change in fair value of biological assets	(1 954)	858	n.a.	1 836	734	150.1%
Net revaluation of harvested crops in stock	(365)	(1 328)	-72.5%	2 242	(882)	n.a.
<b>Gross profit</b>	<b>7 678</b>	<b>5 752</b>	<b>33.5%</b>	<b>31 923</b>	<b>23 559</b>	<b>35.5%</b>
<i>Gross margin</i>	<i>24.1%</i>	<i>23.6%</i>	<i>0.5 p.p.</i>	<i>31.1%</i>	<i>26.0%</i>	<i>5.1 p.p.</i>
Operating expenses and income	(5 498)	(4 085)	34.6%	(16 311)	(13 612)	19.8%
Share of joint ventures and associates	71	(63)	n.a.	(57)	(221)	n.a.
<b>Operating profit</b>	<b>2 251</b>	<b>1 603</b>	<b>40.4%</b>	<b>15 555</b>	<b>9 726</b>	<b>59.9%</b>
<i>Operating margin</i>	<i>7.1%</i>	<i>6.6%</i>	<i>0.5 p.p.</i>	<i>15.2%</i>	<i>10.8%</i>	<i>4.4 p.p.</i>
<b>Adjusted EBITDA <sup>1</sup></b>	<b>6 761</b>	<b>2 423</b>	<b>179.0%</b>	<b>20 416</b>	<b>14 643</b>	<b>39.4%</b>
<i>Adjusted EBITDA margin</i>	<i>21.2%</i>	<i>10.0%</i>	<i>11.2 p.p.</i>	<i>19.9%</i>	<i>16.2%</i>	<i>3.7 p.p.</i>
Profit before tax	1 303	245	431.7%	11 793	5 956	98.0%
<b>Net profit</b>	<b>1 649</b>	<b>151</b>	<b>994.3%</b>	<b>12 004</b>	<b>5 800</b>	<b>107.0%</b>
<b>Adjusted Net profit <sup>1</sup></b>	<b>3 602</b>	<b>(707)</b>	<b>n.a.</b>	<b>10 168</b>	<b>5 066</b>	<b>100.7%</b>
<b>Net operating cash flow</b>	<b>6 802</b>	<b>3 177</b>	<b>114.1%</b>	<b>14 177</b>	<b>13 016</b>	<b>8.9%</b>
<b>Net debt</b>				<b>58 559</b>	<b>48 669</b>	<b>20.3%</b>

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

#### Revenue

In 2018 revenue increased by 13.5% y-o-y to RUB 102.6 billion (2017: RUB 90.5 billion). Revenue growth is attributed to higher volumes across all segments, sales mix shift towards branded and value added products, and favourable pricing environment for chicken and pork products in the second half of 2018.

#### Gross profit

Gross profit increased by 35.5% y-o-y to RUB 31.9 billion, (2017: RUB 23.6 billion). Gross profit was positively affected by revenue growth, operational efficiency gains in chicken and pork segments and associated costs savings, and increase of net change in fair value of biological assets in pork and poultry segments and net revaluation of



harvested crops in stock in grain segment, offset by higher input prices for meat processing segment. Gross profit margin improved to 31.1% (2017: 26.0%)

### **Operating expenses**

Operating expenses increased by 19.8% y-o-y to RUB 16.3 billion, (2017: RUB 13.6 billion), due to higher selling expenses, which in turn is mostly driven by broadening of our distribution network, and G&A expenses largely unchanged from previous year. Operating expenses as a percentage of sales increased to 15.9% (2017: 15.0%). Share of loss of joint ventures and associates decrease by 74.3% y-o-y to RUB 0.06 billion (2017: RUB 0.22 billion).

### **Adjusted EBITDA**

Adjusted EBITDA of RUB 20.4 billion, increased by 39.4% y-o-y. Adjusted EBITDA margin improved to 19.9% (2017: 16.2%) due to higher revenue across segments, improved profitability of poultry, pork and grain segments, and strict cost control on the corporate level.

### **Interest expense**

Net interest expense in 2018 declined by 10.8% y-o-y to RUB 3.3 billion.

### **Net profit**

Net profit for the Group totalled RUB 12.0 billion in 2018, up 107.0% compared to RUB 5.8 billion in 2017. Net profit margin improved to 11.7% from 6.4% a year ago.

Adjusted net profit increased by 100.7% to RUB 10.2 billion, from RUB 5.1 billion a year ago. Adjusted net profit margin improved to 9.9% from 5.6% a year ago.

### **Cash flow**

Operating cash flow of RUB 14.2 billion (2017: RUB 13.0 billion), an increase of 8.9% affected by working capital increase due to higher interest payments coupled with lower government grants for compensation of interest expense.

### **Capital expenditure and debt**

The Group's capital expenditure on property, plant, equipment and maintenance amounted to RUB 9.8 billion during 2018, a decline of 20.9% y-o-y. Kashira facility completion and construction of new wean-to-finish pork facilities were major projects of capital expenditures in the reported period.

As of December 31, 2018, net debt\*\*\* was RUB 58.6 billion, compared to RUB 48.7 billion at the end of 2017. Gross debt increased to RUB 68.8 billion as of December 31, 2018, compared to 50.0 billion a year ago. At the end of 4Q18 long-term debt accounted for 65% of the debt portfolio and amounted to RUB 44.6 billion. The effective cost of debt was 4.7% as of December 31, 2018 (December 31, 2017: 7.3%). Subsidised loans and credit facilities made up 40% of the debt portfolio in 2018 (2017: 35%). Cash and cash equivalents amounted to RUB 9.6 billion as of December 31, 2018.

### **Subsidies**

Starting from 1 January 2017 the Group receives government grants through accredited banks, who provide loans to agricultural producers at reduced rates not exceeding 5% per annum on Rouble-denominated loans ("reduced rate lending subsidy"). The difference between market rate and the reduced rate equals the Refinancing Key rate of the Central Bank of Russia and is compensated by Ministry of



Agriculture to the accredited banks. Total government grants for compensation of interest expense grossed of related interest expense amounted to RUB 1.3 billion RUB.

### Net change in fair value of biological assets

A higher net change in fair value of biological assets is explained by a higher valuation of sows, market hogs, and by higher market prices of the products that the Group produces.

### Business segments

Divisions	Sales volume		Change y-o-y, %	Revenue <sup>2</sup>		Change y-o-y, %
	2018, k tonnes	2017, k tonnes		2018, RUB mln	2017, RUB mln	
Chicken	544.2	522.5	4.1%	53 797	47 401	13.5%
Turkey <sup>3</sup>	39.2	26.3	49.1%	5 815	3 898	49.2%
Pork	236.9	200.3	18.3%	23 576	18 688	26.2%
Meat processing	229.5	204.2	12.4%	38 439	34 020	13.0%

<sup>2</sup> Revenue includes inter-segment sales

<sup>3</sup> Volume and revenue reported in turkey section represent turkey sales by Trading Company "Cherkizovo"

### Poultry Division

Sales volumes in 2018 increased by 4.1% to 544.2 thousand tonnes (2017: 522.5 thousand tonnes). The average selling price increased by 9.1% y-o-y to 96.9 RUB/kg due to growth of Petelinka and Chicken Kingdom sales of 35% and 24% y-o-y respectively, shift in the sales mix towards cut-up products, coupled with distribution focused on modern retail trade and HoReCa products gain of 44% y-o-y. As a result, segment's revenue was up 13.5% and amounted to RUB 53.8 billion (2017: RUB 47.4 billion).

Gross profit was up by 29.1% y-o-y and totalled RUB 13.5 billion, (2017: RUB 10.5 billion) on higher volumes and sales price, operational efficiency gains resulted in cost savings, the change in fair value of biological assets, offset by higher feed costs. Gross margin improved to 25.1%, from 22.1% in 2017.

Operating expenses as a percentage of sales amounted to 11.3%, unchanged from 2017 results. Operating income increased by 44.8% y-o-y to RUB 7.4 billion (2017: RUB 5.1 billion). Operating margin increased to 13.8% from 10.8% in 2017.

The segment's profit before income tax amounted to RUB 6.9 billion (2017: RUB 4.0 billion).

Adjusted EBITDA increased by 17.8% y-o-y to RUB 8.4 billion (2017: RUB 7.1 billion), while Adjusted EBITDA margin increased to 15.6% from 15.0% a year ago.

### Pork Division

Sales volumes in 2018 increased by 18.3% y-o-y, to 236.9 thousand tonnes (2017: 200.3 thousand tonnes). The average selling price of 98.2 RUB/kg, up by 6.6% y-o-y compared to 92.1 RUB/kg a year ago. The segment's revenue increased by 26.2% y-o-y to RUB 23.6 billion (2017: RUB 18.7 billion), on the back of higher volumes and better pricing.



Gross profit increased by 61.2% y-o-y, to RUB 11.2 billion (2017: RUB 6.9 billion) due to higher sales volumes and prices, further improvement in operational KPI's translated into cost savings and a non-cash change in the fair value of biological assets of RUB 0.9 billion. The segment's gross margin improved to 47.4%, from 37.1% a year ago.

Operating expenses as a percentage of sales amounted to 3.3%, compared to 3.4% in 2017.

Operating income was up 65.0% y-o-y, to RUB 10.4 billion from RUB 6.3 billion in 2017. The segment's operating margin increased to 44.2% from 33.8% a year ago.

The segment's profit before income tax amounted to RUB 9.9 billion compared to the 2017 result of RUB 5.6 billion.

Adjusted EBITDA increased by 60.2% y-o-y to RUB 10.9 billion (2017: RUB 6.8 billion). Adjusted EBITDA margin improved to 46.2% from 36.4% in 2017.

### **Meat Processing Division**

Sales volumes in 2018 increased by 12.4% y-o-y to 229.5 thousand tonnes (2017: 204.2 thousand tonnes). The average selling price was unchanged at 169.6 RUB/kg (2017: 170.1 RUB/kg). The segment's revenue increased by 13.0% and reached RUB 38.4 billion (2017: RUB 34.0 billion). Revenue growth was driven by higher volumes of the carcass in the sales mix, on the back of higher volumes of market hogs production in the pork segment.

Gross profit declined by 28.9% y-o-y to RUB 4.2 billion, (2017: RUB 6.0 billion). The gross margin fell to 11.0% from 17.5 % a year ago on higher prices of input materials.

Operating expenses as a percentage of sales amounted to 12.3%, vs. 12.5% in 2017.

Operating income turned to negative RUB 0.5 billion from RUB 1.7 billion in 2017. Operating margin decreased to negative 1.2% from 5.0% in 2017.

The segment's loss before income tax was RUB 1.0 billion, compared to a profit RUB 1.4 billion a year ago.

Adjusted EBITDA declined by 80.9% to RUB 0.5 billion from RUB 2.4 billion in 2017.

### **Grain Division**

Sales volumes in 2018 increased by 53.6% y-o-y to 696.1 thousand tonnes (2017: 453.3 thousand tonnes) as we shifted crop acreage towards wheat growing. The segment's revenue increased by 115.7% and reached RUB 7.0 billion (2017: RUB 3.2 billion).

Gross profit turned positive to RUB 2.1 billion (2017: negative RUB 1.3 billion). The gross margin increased to 30.8% from negative 40.8% a year ago on higher volumes and sale price and net revaluation of harvested crops in stock of RUB 1.3 billion.

Operating expenses as a percentage of sales declined to 6.2%, from 8.3% in 2017.

Operating income improved to RUB 1.7 billion from RUB a loss of 1.6 billion in 2017. Operating margin came to 24.6% from negative 49.2% in 2017.

The segment's profit before income tax was RUB 1.5 billion, compared to a loss of RUB 1.8 billion a year ago.



Adjusted EBITDA amounted to RUB 2.3 billion compared to a loss of RUB 1.1 billion in 2017.

### **Outlook**

Our strategy remains focused on Russian domestic consumer, supported by a sustained increase in branded value-added products in our sales portfolio. We intend to leverage our market-leading positions in poultry and pork segments while concentrating on our core brands Petelinka, Chicken Kingdom, Pava-Pava and Cherkizovo, as well as recently acquired Samson and Altaisky Broiler. We anticipate that our new acquisitions will deliver increased scale and significant operational synergies with existing operations, which will translate into further cost savings for the Company.

Federal retail chains will remain our key partners for distribution domestically, but we expect growth acceleration with our HoReCa clients, and will selectively pursue export opportunities of the poultry products. Going forward our organic growth will shift to the meat processing segment where we see significant upside with multiple products that will support our brand equity, and to selective M&A, aligned with our strategic goals.

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

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### **About Cherkizovo Group**

Cherkizovo Group is the largest meat and feed producer in Russia. The Group is a top-3 producer in each of the Russian poultry, pork and processed meat markets.

Cherkizovo Group encompasses nine full cycle poultry production facilities, sixteen modern pork production facilities, eight meat processing plants, nine feed mills and 290 thousand hectares of agricultural land. The Group also includes Tambov Turkey facility, a joint Russian-Spanish venture. In 2018, Cherkizovo Group produced c. 1 mn tonnes of meat and meat products and generated revenue of RUB 102.6 billion.

Thanks to its vertically integrated structure, which includes grain growing and storage, feed production, livestock breeding, fattening and slaughtering, and meat processing, alongside a distribution system. We aim to offer to our consumers the highest quality products catered to their preferences. Our success is based on the well-known brands in our portfolio and the loyalty of our consumers.

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 amortisation expense, net change in fair value of biological assets, bonuses to employees under long-term incentive program and share of loss of joint ventures and associates plus share of adjusted EBITDA of joint ventures and associates and depreciation and amortisation 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** *Adjusted Net profit is defined as profit for the period before net change in fair value of biological assets. Adjusted Net profit margin is defined as*

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*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 statement of operations. We believe that Adjusted Net profit provides useful information to investors in order to estimate dividend payout.*

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

## APPENDIX I: KEY DATA AND FIGURES, 12 months ended December 31, 2018

### Consolidated Selected Financial Data

(in thousands of RUB)	Meat Processing	Poultry	Pork	Grain	Feed	Total reportable segments	Corporate	Interdivision	Total without Turkey	Turkey	Combined
<b>Total Sales</b>	<b>38 438 972</b>	<b>53 797 241</b>	<b>23 576 166</b>	<b>6 986 006</b>	<b>31 738 006</b>	<b>154 536 391</b>	<b>775 725</b>	<b>(58 487 602)</b>	<b>96 824 514</b>	<b>5 814 631</b>	<b>102 639 145</b>
including other sales	669 872	1 074 548	313 946	86 972	527 583	2 672 921	775 725	(1 231 845)	2 216 801	-	2 216 801
including sales volume discount	(682 375)	(709 085)	-	-	-	(1 391 460)	-	-	(1 391 460)	(81 738)	(1 473 198)
Interdivision Sales	(179 261)	(1 877 449)	(20 529 684)	(3 989 632)	(31 210 423)	(57 786 449)	(448 281)	58 487 602	252 872	(252 872)	-
Sales to external customers (Sales)	38 259 711	51 919 792	3 046 482	2 996 374	527 583	96 749 942	327 444	-	97 077 386	5 561 759	102 639 145
% of Total sales	37.3%	50.6%	3.0%	2.9%	0.5%	94.3%	0.3%	0.0%	94.6%	5.4%	100.0%
Net change in fair value of biological assets	-	1 264 368	899 056	-	-	2 163 424	-	(327 088)	1 836 336	-	1 836 336
Net revaluation of harvested crops in stock	-	-	-	1 297 189	-	1 297 189	-	944 998	2 242 187	-	2 242 187
Cost of Sales	(34 202 152)	(41 561 439)	(13 290 802)	(6 133 969)	(30 977 130)	(126 165 492)	(554 659)	57 052 214	(69 667 937)	(5 126 371)	(74 794 308)
<b>Gross profit</b>	<b>4 236 820</b>	<b>13 500 170</b>	<b>11 184 420</b>	<b>2 149 226</b>	<b>760 876</b>	<b>31 831 512</b>	<b>221 066</b>	<b>(817 478)</b>	<b>31 235 100</b>	<b>688 260</b>	<b>31 923 360</b>
Gross margin	11.0%	25.1%	47.4%	30.8%	2.4%	20.6%	28.5%	1.4%	32.3%	11.8%	31.1%
Operating expenses	(4 712 174)	(6 097 666)	(769 307)	(431 126)	(423 605)	(12 433 878)	(3 726 500)	463 082	(15 697 296)	(614 154)	(16 311 450)
Share of gain/(loss) of joint ventures and associates	-	-	-	-	-	-	-	-	-	(56 778)	(56 778)
<b>Operating income/ (loss)</b>	<b>(475 354)</b>	<b>7 402 504</b>	<b>10 415 113</b>	<b>1 718 100</b>	<b>337 271</b>	<b>19 397 634</b>	<b>(3 505 434)</b>	<b>(354 396)</b>	<b>15 537 804</b>	<b>17 328</b>	<b>15 555 132</b>
Operating margin	-1.2%	13.8%	44.2%	24.6%	1.1%	12.6%	-451.9%	0.6%	16.0%	0.3%	15.2%
Interest income	19 991	171 402	64 279	2 146	55 380	313 198	129 874	(153 287)	289 785	-	289 785
Interest expense, net	(121 756)	(621 387)	(588 028)	(172 516)	(870 766)	(2 374 453)	(1 045 528)	153 287	(3 266 694)	-	(3 266 694)
Other income/ (expenses), net	(471 451)	(52 521)	(3 165)	545	(276 398)	(802 990)	17 975	-	(785 015)	-	(785 015)
<b>Division profit / (loss)</b>	<b>(1 048 570)</b>	<b>6 899 998</b>	<b>9 888 199</b>	<b>1 548 275</b>	<b>(754 513)</b>	<b>16 533 389</b>	<b>(4 403 113)</b>	<b>(354 396)</b>	<b>11 775 880</b>	<b>17 328</b>	<b>11 793 208</b>
Division profit margin	-2.7%	12.8%	41.9%	22.2%	-2.4%	10.7%	-567.6%	0.6%	12.2%	0.3%	11.5%
Supplemental information:											
Income Tax expense (benefit)	(375 528)	88 334	2 471	103 790	14 124	(166 809)	(20 282)	-	(187 091)	-	(187 091)
Expenditure for segment property, plant and equipment	2 181 464	2 019 862	3 882 879	389 594	299 674	8 773 473	979 019	-	9 752 492	-	9 752 492

## 12 months ended December 31, 2018 Consolidated Selected Financial Data

(in thousands of RUB)	Meat Processing	Poultry	Pork	Grain	Feed	Total reportable segments	Corporate	Interdivision	Total without Turkey	Turkey	Combined
<b>Division profit / (loss)</b>	<b>(1 048 570)</b>	<b>6 899 998</b>	<b>9 888 199</b>	<b>1 548 275</b>	<b>(754 513)</b>	<b>16 533 389</b>	<b>(4 403 113)</b>	<b>(354 396)</b>	<b>11 775 880</b>	<b>17 328</b>	<b>11 793 208</b>
Add:											
Interest expense, net	121 756	621 387	588 028	172 516	870 766	2 374 453	1 045 528	(153 287)	3 266 694	-	3 266 694
Interest income	(19 991)	(171 402)	(64 279)	(2 146)	(55 380)	(313 198)	(129 874)	153 287	(289 785)	-	(289 785)
Foreign exchange loss/(gain)	484 364	74 279	10 416	(192)	277 409	846 276	(17 216)	-	829 060	-	829 060
Depreciation and amortisation	882 526	2 056 073	1 338 876	809 172	609 025	5 695 672	346 839	-	6 042 511	2 819	6 045 330
Net change in fair value of biological assets	-	(1 264 368)	(899 056)	-	-	(2 163 424)	-	327 088	(1 836 336)	-	(1 836 336)
Share of (gain)/loss of joint ventures and associates	-	-	-	-	-	-	-	-	-	56 778	56 778
Share of adjusted EBITDA of joint ventures and associates	-	-	-	-	-	-	-	-	-	165 415	165 415
Bonuses to employees under long-term incentive program	38 763	171 990	40 090	8 353	19 206	278 402	373 100	-	651 502	6 889	658 391
Depreciation and amortisation accumulated in harvested crops in stock	-	-	-	(272 508)	-	(272 508)	-	-	(272 508)	-	(272 508)
<b>Adjusted EBITDA</b>	<b>458 848</b>	<b>8 387 957</b>	<b>10 902 274</b>	<b>2 263 470</b>	<b>966 513</b>	<b>22 979 062</b>	<b>(2 784 736)</b>	<b>(27 308)</b>	<b>20 167 018</b>	<b>249 229</b>	<b>20 416 247</b>
<i>Adjusted EBITDA Margin</i>	<i>1.2%</i>	<i>15.6%</i>	<i>46.2%</i>	<i>32.4%</i>	<i>3.0%</i>	<i>14.9%</i>	<i>-359.0%</i>	<i>0.0%</i>	<i>20.8%</i>	<i>4.3%</i>	<i>19.9%</i>

### Reconciliation between net division profit and income attributable to Cherkizovo Group

**12M18**

Total net division profit	11 793 208
Net income attributable to non-controlling interests	23 728
Income taxes	187 091
<b>Net income attributable to Cherkizovo Group</b>	<b>12 004 027</b>



## CONSOLIDATED INCOME STATEMENT DATA

(in thousands of RUB)	Year ended December 31, 2018	Year ended December 31, 2017
Sales	102 639 145	90 465 069
incl. Sales volume discounts	(1 473 198)	(1 380 359)
incl. Sales returns	(1 090 626)	(1 000 200)
Net change in fair value of biological assets	1 836 336	734 141
Net revaluation of harvested crops in stock	2 242 187	(882 259)
Cost of sales	(74 794 308)	(66 758 340)
<b>Gross profit</b>	<b>31 923 360</b>	<b>23 558 611</b>
<i>Gross margin</i>	<i>31.1%</i>	<i>26.0%</i>
Operating expenses	(16 311 450)	(13 611 664)
Share of gain/(loss) of joint ventures and associates	(56 778)	(221 325)
<b>Operating profit</b>	<b>15 555 132</b>	<b>9 725 622</b>
<i>Operating margin</i>	<i>15.2%</i>	<i>10.8%</i>
<b>Profit before income tax</b>	<b>11 793 208</b>	<b>5 955 675</b>
<b>Profit attributable to Cherkizovo Group</b>	<b>12 004 027</b>	<b>5 800 371</b>
<i>Net profit margin</i>	<i>11.7%</i>	<i>6.4%</i>
Weighted average number of shares outstanding	41 047 014	42 760 328
<b>Earnings per share</b>		
<b>Profit attributable to Cherkizovo Group per share – basic and diluted (RUB)</b>	<b>292.45</b>	<b>135.65</b>
<b>Consolidated Adjusted EBITDA reconciliation</b>		
<b>Profit before income tax</b>	<b>11 793 208</b>	<b>5 955 675</b>
Add:		
Interest expense, net of subsidies	3 266 694	3 663 093
Interest income	(289 785)	(277 148)
Foreign exchange (gain)/loss, net	829 060	390 426
Depreciation and amortisation	6 045 330	5 153 486
Net change in fair value of biological assets	(1 836 336)	(734 141)
Share of (gain)/loss of joint ventures and associates	56 778	221 325
Share of adjusted EBITDA of joint ventures and associates	165 415	83 448
Bonuses to employees under long-term incentive program	658 391	-
Depreciation and amortisation accumulated in harvested crops in stock	(272 508)	186 900
<b>Consolidated Adjusted EBITDA</b>	<b>20 416 247</b>	<b>14 643 064</b>
<i>Adjusted EBITDA Margin</i>	<i>19.9%</i>	<i>16.2%</i>
<b>Consolidated Adjusted Net profit</b>		
<b>Profit attributable to Cherkizovo Group</b>	<b>12 004 027</b>	<b>5 800 371</b>
Add:		
Net change in fair value of biological assets	(1 836 336)	(734 141)
<b>Adjusted Profit attributable to Cherkizovo Group</b>	<b>10 167 691</b>	<b>5 066 230</b>

## POULTRY DIVISION INCOME STATEMENT DATA

(in thousands of RUB)	Year ended December 31, 2018	Year ended December 31, 2017
Total Sales	53 797 241	47 401 429
Interdivision sales	(1 877 449)	(1 902 802)
<b>Sales to external customers</b>	<b>51 919 792</b>	<b>45 498 627</b>
Net change in fair value of biological assets	1 264 368	(71 239)
Cost of sales	(41 561 439)	(36 875 483)
<b>Gross profit</b>	<b>13 500 170</b>	<b>10 454 707</b>
<i>Gross margin</i>	25.1%	22.1%
Operating expenses	(6 097 666)	(5 342 484)
<b>Operating profit</b>	<b>7 402 504</b>	<b>5 112 223</b>
<i>Operating margin</i>	13.8%	10.8%
Interest income	171 402	164 917
Interest expense, net	(621 387)	(1 112 968)
Other income/(expenses), net	(52 521)	(161 815)
<b>Division profit before income tax</b>	<b>6 899 998</b>	<b>4 002 357</b>
<i>Division profit margin</i>	12.8%	8.4%
Poultry processing division Adjusted EBITDA reconciliation		
<b>Division profit before income tax</b>	<b>6 899 998</b>	<b>4 002 357</b>
Add:		
Interest expense, net of subsidies	621 387	1 112 968
Interest income	(171 402)	(164 917)
Foreign exchange (gain)/loss, net	74 279	164 118
Depreciation and amortisation	2 056 073	1 936 437
Net change in fair value of biological assets	(1 264 368)	71 239
Bonuses to employees under long-term incentive program	171 990	-
<b>Poultry processing division Adjusted EBITDA</b>	<b>8 387 957</b>	<b>7 122 202</b>
<i>Adjusted EBITDA Margin</i>	15.6%	15.0%



## PORK DIVISION INCOME STATEMENT DATA

(in thousands of RUB)	Year ended December 31, 2018	Year ended December 31, 2017
Total Sales	23 576 166	18 688 379
Interdivision sales	(20 529 684)	(14 622 070)
<b>Sales to external customers</b>	<b>3 046 482</b>	<b>4 066 309</b>
Net change in fair value of biological assets	899 056	651 235
Cost of sales	(13 290 802)	(12 399 563)
<b>Gross profit</b>	<b>11 184 420</b>	<b>6 940 051</b>
<i>Gross margin</i>	47.4%	37.1%
Operating expenses	(769 307)	(627 148)
<b>Operating profit</b>	<b>10 415 113</b>	<b>6 312 903</b>
<i>Operating margin</i>	44.2%	33.8%
Interest income	64 279	41 178
Interest expense, net	(588 028)	(713 729)
Other income/(expenses), net	(3 165)	(2 514)
<b>Division profit before income tax</b>	<b>9 888 199</b>	<b>5 637 838</b>
<i>Division profit margin</i>	41.9%	30.2%
Pork division Adjusted EBITDA reconciliation		
<b>Division profit before income tax</b>	<b>9 888 199</b>	<b>5 637 838</b>
Add:		
Interest expense, net of subsidies	588 028	713 729
Interest income	(64 279)	(41 178)
Foreign exchange (gain)/loss, net	10 416	6 272
Depreciation and amortisation	1 338 876	1 140 851
Net change in fair value of biological assets	(899 056)	(651 235)
Bonuses to employees under long-term incentive program	40 090	-
<b>Pork division Adjusted EBITDA</b>	<b>10 902 274</b>	<b>6 806 277</b>
<i>Adjusted EBITDA Margin</i>	46.2%	36.4%



## MEAT PROCESSING DIVISION INCOME STATEMENT DATA

(in thousands of RUB)	Year ended December 31, 2018	Year ended December 31, 2017
Total Sales	38 438 972	34 020 373
Interdivision sales	(179 261)	(39 539)
<b>Sales to external customers</b>	<b>38 259 711</b>	<b>33 980 834</b>
Cost of sales	(34 202 152)	(28 058 310)
<b>Gross profit</b>	<b>4 236 820</b>	<b>5 962 063</b>
<i>Gross margin</i>	11.0%	17.5%
Operating expenses	(4 712 174)	(4 249 598)
<b>Operating profit/(loss)</b>	<b>(475 354)</b>	<b>1 712 465</b>
<i>Operating margin</i>	-1.2%	5.0%
Interest income	19 991	16 845
Interest expense, net	(121 756)	(181 389)
Other income/(expenses), net	(471 451)	(123 626)
<b>Division profit/(loss) before income tax</b>	<b>(1 048 570)</b>	<b>1 424 295</b>
<i>Division profit margin</i>	-2.7%	4.2%
Meat processing division Adjusted EBITDA reconciliation		
<b>Division profit/(loss) before income tax</b>	<b>(1 048 570)</b>	<b>1 424 295</b>
Add:		
Interest expense, net of subsidies	121 756	181 389
Interest income	(19 991)	(16 845)
Foreign exchange (gain)/loss, net	484 364	122 422
Depreciation and amortisation	882 526	697 189
Bonuses to employees under long-term incentive program	38 763	-
<b>Meat processing division Adjusted EBITDA*</b>	<b>458 848</b>	<b>2 408 450</b>
<i>Adjusted EBITDA Margin</i>	1.2%	7.1%



## FEED DIVISION INCOME STATEMENT DATA

(in thousands of RUB)	Year ended December 31, 2018	Year ended December 31, 2017
Total Sales	31 738 006	28 169 777
Interdivision sales	(31 210 423)	(27 186 212)
<b>Sales to external customers</b>	<b>527 583</b>	<b>983 565</b>
Cost of sales	(30 977 130)	(26 735 838)
<b>Gross profit</b>	<b>760 876</b>	<b>1 433 939</b>
<i>Gross margin</i>	2.4%	5.1%
Operating expenses	(423 605)	(368 585)
<b>Operating profit</b>	<b>337 271</b>	<b>1 065 354</b>
<i>Operating margin</i>	1.1%	3.8%
Interest income	55 380	2 567
Interest expense, net	(870 766)	(942 325)
Other income/(expenses), net	(276 398)	(106 553)
<b>Division profit/(loss) before income tax</b>	<b>(754 513)</b>	<b>19 043</b>
<i>Division profit margin</i>	-2.4%	0.1%
Feed division Adjusted EBITDA reconciliation		
<b>Division profit/(loss) before income tax</b>	<b>(754 513)</b>	<b>19 043</b>
Add:		
Interest expense, net of subsidies	870 766	942 325
Interest income	(55 380)	(2 567)
Foreign exchange (gain)/loss, net	277 409	107 279
Depreciation and amortisation	609 025	595 260
Bonuses to employees under long-term incentive program	19 206	-
<b>Feed division Adjusted EBITDA</b>	<b>966 513</b>	<b>1 661 340</b>
<i>Adjusted EBITDA Margin</i>	3.0%	5.9%





## GRAIN DIVISION INCOME STATEMENT DATA

(in thousands of RUB)	Year ended December 31, 2018	Year ended December 31, 2017
Total Sales	6 986 006	3 238 261
Interdivision sales	(3 989 632)	(1 468 597)
<b>Sales to external customers</b>	<b>2 996 374</b>	<b>1 769 664</b>
Net change in fair value of biological assets		154 145
Net revaluation of harvested crops in stock	1 297 189	(890 759)
Cost of sales	(6 133 969)	(3 823 384)
<b>Gross profit/(loss)</b>	<b>2 149 226</b>	<b>(1 321 737)</b>
<i>Gross margin</i>	30.8%	-40.8%
Operating expenses	(431 126)	(270 124)
<b>Operating profit/(loss)</b>	<b>1 718 100</b>	<b>(1 591 861)</b>
<i>Operating margin</i>	24.6%	-49.2%
Interest income	2 146	1 649
Interest expense, net	(172 516)	(175 685)
Other income/(expenses), net	545	1 318
<b>Division profit/(loss) before income tax</b>	<b>1 548 275</b>	<b>(1 764 579)</b>
<i>Division profit margin</i>	22.2%	-54.5%
Grain division Adjusted EBITDA reconciliation		
<b>Division profit/(loss) before income tax</b>	<b>1 548 275</b>	<b>(1 764 579)</b>
Add:		
Interest expense, net of subsidies	172 516	175 685
Interest income	(2 146)	(1 649)
Foreign exchange (gain)/loss, net	(192)	(859)
Depreciation and amortisation	809 172	464 492
Net change in fair value of biological assets and agricultural produce	-	(154 145)
Depreciation and amortisation accumulated in harvested crops in stock	(272 508)	186 900
Bonuses to employees under long-term incentive program	8 353	-
<b>Grain division Adjusted EBITDA</b>	<b>2 263 470</b>	<b>(1 094 155)</b>
<i>Adjusted EBITDA Margin</i>	32.4%	-33.8%



**APPENDIX II:  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE YEAR ENDED 31 DECEMBER 2018**

(in thousands of RUB)	<b>Year ended 31 December, 2018</b>	<b>Year ended 31 December, 2017</b>
Revenue	102 639 145	90 465 069
Net change in fair value of biological assets	1 836 336	734 141
Net revaluation of harvested crops in stock	2 242 187	(882 259)
Cost of sales	(74 794 308)	(66 758 340)
<b>Gross profit</b>	<b>31 923 360</b>	<b>23 558 611</b>
Selling, general and administrative expense	(16 549 987)	(13 936 562)
Other operating income, net	238 537	324 898
Share of loss of joint ventures and associates	(56 778)	(221 325)
<b>Operating profit</b>	<b>15 555 132</b>	<b>9 725 622</b>
Interest income	289 785	277 148
Interest expense, net	(3 266 694)	(3 663 093)
Other expenses, net	(785 015)	(384 002)
<b>Profit before income tax</b>	<b>11 793 208</b>	<b>5 955 675</b>
Income tax benefit (expense)	187 091	(307 600)
<b>Profit for the year and total comprehensive income</b>	<b>11 980 299</b>	<b>5 648 075</b>
<b>Profit and total comprehensive income, attributable to Cherkizovo Group</b>	<b>12 004 027</b>	<b>5 800 371</b>
<b>Non-controlling interests</b>	<b>(23 728)</b>	<b>(152 296)</b>

### **APPENDIX III:**

#### **CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2018**

(in thousands of RUB)	<b>31 December, 2018</b>	<b>December 31, 2017</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	82 766 158	75 318 770
Investment property	594 858	589 411
Goodwill	1 254 572	1 254 572
Intangible assets	2 143 865	2 014 358
Non-current biological assets	2 673 452	2 288 524
Notes receivable, net	-	310 000
Investments in joint ventures and associates	3 518 031	2 185 147
Long-term deposits in banks	641 365	641 365
Restricted cash	108 762	740 848
Deferred tax assets	1 073 214	754 192
Rights to claim debt	4 685 209	-
Other non-current assets	678 405	804 322
<b>Total non-current assets</b>	<b>100 137 891</b>	<b>86 901 509</b>
<b>Current assets</b>		
Biological assets	15 394 856	11 566 300
Inventories	12 429 008	9 971 811
Taxes recoverable and prepaid	1 908 669	2 264 482
Trade receivables, net	5 732 868	4 448 735
Advances paid, net	875 156	1 415 099
Other receivables, net	1 523 442	836 563
Cash and cash equivalents	9 612 582	704 676
Other current assets	563 192	535 087
<b>Total current assets</b>	<b>48 039 773</b>	<b>31 742 753</b>
<b>TOTAL ASSETS</b>	<b>148 177 664</b>	<b>118 644 262</b>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2018**  
**Continued**

(in thousands of RUB)	<b>31 December, 2018</b>	<b>December 31, 2017</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	440	440
Treasury shares	(3 724 561)	(3 724 561)
Additional paid-in capital	5 611 444	5 588 320
Retained earnings	57 931 797	49 849 812
<b>Total shareholder's equity</b>	<b>59 819 120</b>	<b>51 714 011</b>
Non-controlling interest	989 986	1 065 846
<b>Total equity</b>	<b>60 809 106</b>	<b>52 779 857</b>
<b>Non-current liabilities</b>		
Long-term borrowings	44 643 317	30 603 110
Provisions	-	58 131
Deferred tax liability	995 521	1 064 814
Other liabilities	363	3 272
<b>Total non-current liabilities</b>	<b>45 639 201</b>	<b>31 729 327</b>
<b>Current liabilities</b>		
Short-term borrowings	24 169 639	19 411 621
Trade payables	10 830 231	9 018 376
Advances received	576 025	616 371
Payables for non-current assets	1 216 255	1 912 620
Tax related liabilities	1 324 720	964 123
Payroll related liabilities	2 707 145	1 816 396
Other payables and accruals	905 342	395 571
<b>Total current liabilities</b>	<b>41 729 357</b>	<b>34 135 078</b>
<b>Total liabilities</b>	<b>87 368 558</b>	<b>65 864 405</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>148 177 664</b>	<b>118 644 262</b>



**APPENDIX IV:  
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
DECEMBER, 31 2018**

	Year ended December 31, 2018	Year ended December 31, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before income tax</b>	<b>11 793 208</b>	<b>5 955 675</b>
Adjustments for:		
Depreciation and amortization	6 045 330	5 153 486
Bad debt expense	118 281	282 148
Foreign exchange loss, net	829 060	390 426
Interest income	(289 785)	(277 148)
Interest expense, net	3 266 694	3 663 093
Net change in fair value of biological assets	(1 836 336)	(734 141)
Net revaluation of harvested crops in stock	(2 242 187)	882 259
(Gain) loss on disposal of property, plant and equipment, net	(46 803)	106 321
Gain on disposal of non-current biological assets, net	(191 733)	(423 512)
Share of loss of joint ventures and associates	56 778	221 325
Other adjustments, net	(54 052)	(14 392)
<b>Operating cash flows before working capital and other changes</b>	<b>17 448 455</b>	<b>15 205 540</b>
(Increase) decrease in inventories	(713 195)	1 259 252
Increase in biological assets	(764 004)	(489 539)
(Increase) decrease in trade receivables	(1 278 773)	384 564
Decrease (increase) in advances paid	535 979	(169 281)
Decrease (increase) in other receivables and other current assets	626 480	(333 616)
Decrease (increase) in other non-current assets	62 331	(113 739)
Increase in trade payables	1 321 392	48 691
Increase in tax related liabilities (other than income tax)	507 747	50 889
Increase in other current payables	617 989	445 491
<b>Operating cash flows before interest and income tax</b>	<b>18 364 401</b>	<b>16 288 252</b>
Interest received	245 414	143 745
Interest paid	(4 159 815)	(3 444 545)
Government grants for compensation of interest expense received	332 891	541 187
Income tax paid	(605 889)	(512 430)
<b>Net cash from operating activities</b>	<b>14 177 002</b>	<b>13 016 209</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(9 180 580)	(9 881 600)
Purchases of non-current biological assets	(943 840)	(1 017 577)
Purchases of intangible assets	(431 246)	(372 470)
Proceeds from sale of property, plant and equipment	181 217	30 880
Proceeds from disposal of non-current biological assets	993 047	1 028 836
Acquisitions of subsidiaries, net of cash acquired	(5 646 243)	(4 768 059)
Investments in joint ventures and associates	(578 673)	(345 000)
Placing of deposits and issuance of loans	(100 607)	(412 470)
Placing of notes receivable	-	(100 000)
Proceeds from repayment of loans issued and redemption of deposits	387 500	150 050
<b>Net cash used in investing activities</b>	<b>(15 319 425)</b>	<b>(15 687 410)</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
DECEMBER, 31 2018 CONTINUED**

	<b>Year ended December 31, 2018</b>	<b>Year ended December 31, 2017</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term loans	30 007 072	20 542 792
Repayment of long-term loans	(21 056 406)	(10 378 936)
Proceeds from short-term loans	22 263 112	11 555 329
Repayment of short-term loans	(17 212 399)	(12 246 483)
Purchase of treasury shares	-	(3 646 528)
Dividends paid	(3 922 042)	(3 453 970)
(Purchase) disposal of non-controlling interests	(29 008)	1 470
<b>Net cash from financing activities</b>	<b>10 050 329</b>	<b>2 373 674</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8 907 906</b>	<b>(297 527)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>704 676</b>	<b>1 002 203</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9 612 582</b>	<b>704 676</b>