ROS AGRO PLC

REPORT AND FINANCIAL STATEMENTS
31 December 2022

ROS AGRO PLC

REPORT AND FINANCIAL STATEMENTS
31 December 2022

CONTENTS

ROS AGRO PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Ganna Khomenko, Cypriot Maxim Basov, Russian Androulla Koumourou, Cypriot Konstantinos Konstantinidis, Cypriot Zhuravlev Yury Alexandrovich, Russian, appointed on 10 June 2022 and resigned on 7 December 2022 Richard Andrew Smyth, British, appointed on 25 February 2011 and resigned on 10 March 2022 Anastasios Televantides, Cypriot, appointed on 25 February 2011 and resigned on 10 March 2022 Vadim Moshkovich, Russian, appointed on 22 May 2015 and resigned on 10 March 2022 Tatiana Gurina, Russian, appointed on 1 April 2022 and resigned on 5 April 2022
Company Secretary:	Fiduciana Secretaries Limited
Independent Auditors:	Papakyriacou & Partners Ltd Chartered Certified Accountants and Registered Auditors 28 Sofouli Street Chanteclair Building 4th Floor, Office 406 1096 Nicosia, Cyprus
Registered office:	25 Aphrodite Street 3rd Floor, Office 300 1060 Nicosia, Cyprus
Bankers:	Eurobank Cyprus Ltd UBS Switzerland AG Credit Suisse AG Bank GPB International S.A. TradeXBank
Registration number:	HE258621

MANAGEMENT REPORT

The Board of Directors presents its report and audited parent company financial statements for the year ended 31 December 2022.

Principal activity and nature of operations of the Company
The principal activity of the Company, which is unchanged from last year, is the holding of investments.

Changes in group structure
The Company has interest in direct and indirect subsidiaries as disclosed in Note 15 to the financial statements. The following group companies were liquidated during the year:

- LLC Rusagro-Moloko on 31 May 2022
- LLC Tsyfrovoi Fermer on 11 August 2022
- LLC Regionstroy on 1 September 2022

The Group obtained 100% of ownership interest in the following newly incorporated companies:

- LLP AgroPromKomplektatsiya on 25 March 2022
- LLC Meta-Agro on 21 February 2022

On 7 June 2022 the Group sold 49% in LLC Meta-Agro, thereby decreasing its ownership interest in the share capital of LLC Meta-Agro to 51% (2021: 0%).

On 25 November 2022 the Group obtained 83.15% in JSC Tuapse plant of steel concrete products.

Review of current position, and performance of the Company's business
The net profit for the year attributable to the shareholders of the Company amounted to RR2,833,873 thousand (2021: RR18,978,117 thousand). On 31 December 2022 the total assets of the Company were RR45,206,987 thousand (2021: RR42,615,507 thousand) and the net assets of the Company were RR42,688,624 thousand (2021: RR39,854,751 thousand). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 7, 8 and 24 of the financial statements.

Future developments of the Company
The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future

Branches
The Company operated through its branches in the United Arab Emirates and Hong Kong during the year.

Going concern basis
Management continues to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate. A number of European suppliers of the Group have ceased their operations in the Russian Federation. These circumstances together with logistic difficulties of importing raw materials and exporting finished products have negatively affected the Group's operations.

To respond to a severe downside scenario, management has the ability to take the following mitigating actions to reduce costs, optimise the Group's cash flow and preserve liquidity:

–reducing non-essential capital expenditure and deferring or cancelling discretionary spend;
–freezing non-essential recruitment; and
–reducing marketing spend.

Based on these factors, management has a reasonable expectation that the Group has adequate resources and sufficient loan facility headroom. Accordingly, management has concluded that there is no significant uncertainty regarding Group's ability to continue as a going concern.

Directors have access to all information necessary to exercise their duties. The Directors continue to adopt the going concern basis in preparing the consolidated financial statements based on the fact that, after making enquiries and following a review of the Group's budget for 2023, including cash flows and borrowing facilities, the Directors consider that the Group has adequate resources to continue in operation for the foreseeable future.

Results
The Company's results for the year are set out on page 11.

Dividends
Pursuant to its Articles of Association the Company may pay dividends out of its profits. In August 2013 the Board of Directors has approved a dividend policy with payout ratio of at least 25% of the Group's profit for the year applicable starting from the year ended 31 December 2013. On 13 September 2021 the Board of Directors has approved a new dividend policy with increased payout ratio to at least 50% of the Group's profit for the year. To the extent that the Company declares and pays dividends, owners of Global Depositary Receipts (hereafter also referred as "GDRs") on the relevant record date will be entitled to receive dividends payable in respect of Ordinary Shares underlying the GDRs, subject to the terms of the Deposit Agreement.

The Company is a holding company and thus its ability to pay dividends depends on the ability of its subsidiaries to pay dividends to the Company in accordance with the relevant legislation and contractual restrictions. The payment of such dividends by its subsidiaries is contingent upon the sufficiency of their earnings, cash flows and distributable reserves. The maximum dividend payable by the Company`s subsidiaries is restricted to the total accumulated retained earnings of the relevant subsidiary, determined according to the Russian law.

The Company did not approve the distribute any dividends for the year 2022.

Human resources management and environmental protection
The Group offers its employees opportunities to realize their professional potential, improve their knowledge and skills, work on interesting innovative projects and be part of a cohesive team. Group management believes that one of the keys to a successful business is maintaining a balance between the high quality and efficient work of all employees who share common values and principles on one hand, and the Company's commitment to providing opportunities for career growth on the other. Group business divisions annually prepare and implement employee training and development plans based on the business's strategic and current objectives, as well as needs identified by comprehensive assessment. Based on the results of a comprehensive assessment, every employee draws up an individual development plan for a period of one to two years that lists all training and development activities that are intended to advance the employee's skills or pass on the knowledge they have gained.
The Group is committed to protecting the environment and minimizing the environmental impact of its operations in regions where it has a presence. All of the Group's divisions constantly monitor wastewater runoff and air quality, and are equipped with treatment facilities that meet all the standards of applicable environmental legislation. The Group has implemented guidelines for maximum allowable emissions and guidelines for waste generation and established sanitary buffer zones for warehouses storing crop protection agents. The Group also returns packaging from crop protection agents and fertilizer to counterparties and performs soil deacidification efforts on farmland.

Principal risks and uncertainties
The Company's financial risks are disclosed in Note 7 to these separate financial statements. The Company's contingencies are disclosed in Note 26 to these separate financial statements.

Share capital
There were no changes in the share capital of the Company during the year under review.

Significant direct/indirect holdings
For the significant direct and indirect shareholding held by the Company, please refer to Note 15 of the parent company financial statements.

Treasury shares
On 25 August 2011 the Board unanimously resolved that it is in the best interest of the Company to buy back GDRs from the market for the total amount of up to USD 10 million increased to up to USD 30 million via subsequent Board's decision on 17 July 2012.

At 31 December 2022 and 2021, the Company held 2,135,113 of its own GDRs (approximately 427,063 shares) that is equivalent to RR 490,607 thousand, representing 1.6% of its issued share capital. The GDRs are held as 'treasury shares'.

No GDRs were transferred to the employees under the share option incentive scheme during 2022 and 2021.

During 2022 and 2021 the Company did not buy back any of its own GDRs from the market.

The role of the Board of Directors
The Company is governed by its Board of Directors (hereafter also referred as the "Board") which is collectively responsible to the shareholders for the successful performance of the Group.
The Board sets corporate strategic objectives, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives and reviewing management performance.

The Board of Directors sets the Group's values and standards and ensures all obligations to shareholders are understood and met. The Board believes it maintains a sound system of internal control to safeguard the Group's assets and shareholders' investments in the Group.

Members of the Board of Directors
The members of the Board of Directors at 31 December 2022 and at the date of this report are shown in the beginning of these separate financial statements. Mr. Maxim Basov and Ms. Ganna Khomenko were members of the Board throughout the year ended 31 December 2022. During the year ended 31 December 2022 Mr. Konstantinos Konstantinidis and Mrs. Androulla Koumourou were elected as members of the Board and Mr. Vadim Moshkovich and Mr. Richard Andrew Smyth have resigned from the Company's Board of Directors.
In accordance with the Company's Articles of Association, one third of the Directors shall retire by rotation and seek re-election at each Annual General Meeting.
The Company's Directors' remuneration is disclosed in Note 25. There were no any significant changes to the Directors' remuneration during the year ended 31 December 2022.

Director's Interests
The Director Mr. Maxim Basov held interest in the Company as at 31 December 2022 and 31 December 2021.
The number of shares and GDRs held directly by Mr. Maxim Basov as at 31 December 2022 is 1,000,000 and 5,392,809 (equivalent of 1,078,562 shares), respectively (31 December 2021: 1,000,000 shares and 5,392,809 GDRs equivalent to 1,078,562 shares).

Audit Committee
The Board of Directors has established an Audit Committee. The Audit Committee is primarily responsible for (i) ensuring the integrity of our consolidated and separate financial statements, (ii) ensuring our compliance with legal and regulatory requirements, (iii) evaluating our internal control and risk management procedures, (iv) assuring the qualification and independence of our independent auditors and overseeing the audit process and (v) resolving matters arising during the course of audits and coordinating internal audit functions. The Audit Committee consists of three members appointed by the Board of Directors.

The current members are Mr. Konstantinos Konstantinidis (Chairman), Mrs. Androulla Koumourou and Mrs. Ganna Khomenko.

Corporate Governance
Since 2011, the Company adopted the following codes: Code of Conduct on insider information and Code of Business Conduct and Ethics. In addition, since May 2014 the Company together with its subsidiaries and affiliates adopted a new edition of the Codes for mandatory compliance by all employees. In 2017 the Company adopted a new Code of Conduct and Business Ethics.

Internal control and risk management systems in relation to the financial reporting process
The internal control and risk management systems relating to financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and to ensure compliance with applicable laws and regulations. The Audit Committee of the Board of directors of the Company reviews high-risk areas at least once a quarter. Reporting from various Group entities to the central office is supervised on an ongoing basis and procedures have been established for control and checking of such reporting. With each acquisition the Group seeks to adapt and incorporate the financial reporting system of the acquired operations quickly and efficiently.

Non-financial and diversity information
The Group publishes its non -financial information and Diversity Statement together with the Annual report on the Company's website, www.rusagrogroup.ru.

The composition and diversity information of the Board of Directors of the Group
The authority and responsibilities of the Board of Directors are described in the Internal Rules of the Board of Directors.

On behalf of all shareholders and on the proposal or advice of the Management Board, the Board of Directors lays down the strategy and general policy of the Group. It also sets the Group's standards and monitors the implementation of that strategy.

It controls and gives direction to the management of the company and the Group and provides monitoring of risks. It also ensures that the principles of good governance are respected.

The Board's acts are guided solely by a concern for the interests of the Company in relation to its shareholders, its customers and staff.

The Board of Directors is the decision-making body of our Group. Its role is to define the Group's strategic vision, assisted by a specialized committee (the Audit Committee). It is composed of 4 Directors, including 2 independent Directors and 1 managing Director. The Board offers a diverse and synergistic range of experience, nationalities and cultures and enables us to consider the interests of all our shareholders.

The Board has determined that, as a whole, it has the appropriate skills and experience necessary to discharge its functions. Executive and independent Directors have the experience required to contribute meaningfully to the Board's deliberations and resolutions. Independent Directors assist the Board by constructively challenging and helping develop strategy proposals.

Research and development activities
The Company is not engaged in reasearch and development activities.

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 28 to the financial statements.

Related party transactions
Disclosed in note 25 of the financial statements.

Independent Auditors
On 26 November 2022 EGM it was agreed that the auditor KPMG Limited Chartered Accountants will be replaced by Papakyriacou & Partners Ltd for the year 2022.

By order of the Board of Directors,

Konstantinos Konstantinidis,
Director

Nicosia, Cyprus, 3 March 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

The Company's Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility includes selecting appropriate accounting policies and applying them consistently; and making accounting estimates and judgements that are reasonable in the circumstances.

In preparing the financial statements, the Board of Directors is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Each of the Directors confirms to the best of his or her knowledge that the financial statements, which are presented on pages 1 to 68, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

Further, the Board of Directors confirms that, to the best of its knowledge:

- adequate accounting records have been maintained which disclose with reasonable accuracy the financial position of the Company and explain its transactions;
- all information of which it is aware that is relevant to the preparation of the financial statements, such as accounting records and all other relevant records and documentation, has been made available to the Company's auditors;
- the financial statements disclose the information required by the Cyprus Companies Law, Cap.113 in the manner so required;
- the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap.113, and the information given therein is consistent with the financial statements;
- the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the Management Report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the financial statements; and
- the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.

By order of the Board of Directors,

Konstantinos Konstantinidis,
Director

Nicosia, Cyprus, 3 March 2023

Papakyriacou & Partners Ltd
Chartered Certified Accountants

Member of
IPG International

28 Sofouli Str.,
Chanteclair Bld.,
Office 406, 1096 Nicosia
P.O.Box 20073
1600-Nicosia, Cyprus

Tel: +357 22 676660
Fax: +357 22 664311

E-mail: info@papaky.com.cy
Web Site: www.papaky.com.cy

Independent Auditor's Report

To the Members of Ros Agro Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Ros Agro Plc (the "Company"), which are presented in pages 11 to 43 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Ros Agro Plc as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the additional information to the statement of profit or loss and other comprehensive income in pages 44 to 48, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Director: Neophytos Papakyriacou FCCA

Independent Auditor's Report (continued)

To the Members of Ros Agro Plc

Responsibilities of the Board of Directors for the Financial Statements (continued)

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Independent Auditor's Report (continued)

To the Members of Ros Agro Plc

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The Company has produced audited consolidated financial statements for the year ended 31 December 2022 available for public use that comply with International Financial Reporting Standards as issued by IASB as part of its stock exchange listing requirements with London Stock Exchange (LSE). These consolidated financial statements were audited by KEPT Russia.

We have reported separately on the statutory consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2022 as required by Cyprus Company Law, CAP.113.

Comparative figures

The financial statements of the Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on 25 February 2022.

Neophytos Papakyriacou, FCCA
Certified Public Accountant and Registered Auditor
for and on behalf of
Papakyriacou & Partners Ltd
Chartered Certified Accountants and Registered Auditors

Nicosia, Cyprus, 3 March 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 December 2022

	Note	**2022 RR 000**	2021 RR 000
Dividend income	16,25	**2,546,528**	19,195,385
Interest income	9	**-**	96,850
Total revenue		**2,546,528**	19,292,235
Reversal of prior year dividends	25	**(2,899,710)**	-
Interest cost	25	**(114,551)**	(70,470)
Gross (loss)/profit		**(467,733)**	19,221,765
Other operating income	10	**3,443,822**	421
Administration expenses	11	**(54,435)**	(119,250)
Operating profit	**12**	**2,921,654**	19,102,936
Net finance (costs)/income	13	**(230,965)**	249,423
Profit before tax		**2,690,689**	19,352,359
Tax	14	**143,184**	(374,242)
Net profit for the year		**2,833,873**	18,978,117
Other comprehensive income			
Available-for-sale financial assets - Loss transferred to net profit due to disposal	16,20	**(48,056)**	-
Other comprehensive income for the year		**(48,056)**	-
Total comprehensive income for the year		**2,785,817**	18,978,117

The notes on pages 16 to 43 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31 December 2022

ASSETS	Note	2022 RR 000	2021 RR 000
Non-current assets			
Property, plant and equipment		52	85
Investments in subsidiaries	15	24,234,900	24,234,900
Financial assets at fair value through other comprehensive income	16	-	8,556,556
		24,234,952	32,791,541
Current assets			
Receivables	17	20,480,421	9,804,601
Cash at bank and in hand	18	491,614	19,365
		20,972,035	9,823,966
Total assets		45,206,987	42,615,507
EQUITY AND LIABILITIES			
Equity			
Share capital	19	12,269	12,269
Share premium	19	26,972,879	26,972,879
Other reserves	20	806,812	854,868
Retained earnings		14,896,664	12,014,735
Total equity		42,688,624	39,854,751
Current liabilities			
Trade and other payables	22	17,050	8,349
Borrowings	21	2,499,511	2,745,836
Current tax liabilities	23	1,802	6,571
		2,518,363	2,760,756
Total liabilities		2,518,363	2,760,756
Total equity and liabilities		45,206,987	42,615,507

On 3 March 2023 the Board of Directors of Ros Agro Plc authorised these financial statements for issue.

Ganna Khomenko,
Director

Konstantinos Konstantinidis,
Director

STATEMENT OF CHANGES IN EQUITY
31 December 2022

	Note	Share capital RR 000	Share premium RR 000	Treasury shares RR 000	Fair value reserve - available-for-sale financial assets RR 000	Fair value reserve - Financial assets at fair value through other comprehensive income RR 000	Other reserves RR 000	Retained earnings RR 000	Total RR 000
Balance at 1 January 2021		**12,269**	**26,972,879**	**(490,607)**	**-**	**48,056**	**1,297,419**	**12,563,150**	**40,403,166**
Comprehensive income									
Net profit for the year		-	-	-	-	-	-	18,978,117	18,978,117
Transactions with owners									
Dividends		-	-	-	-	-	-	(19,526,532)	(19,526,532)
Balance at 31 December 2021/ 1 January 2022		**12,269**	**26,972,879**	**(490,607)**	**-**	**48,056**	**1,297,419**	**12,014,735**	**39,854,751**
Comprehensive income									
Net profit for the year		-	-	-	-	-	-	2,833,873	2,833,873
Other comprehensive income for the year	20	-	-	-	-	(48,056)	-	48,056	-
Balance at 31 December 2022		**12,269**	**26,972,879**	**(490,607)**	**-**	**-**	**1,297,419**	**14,896,664**	**42,688,624**

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The only reserve which is available for distribution in the form of dividends to the Company's shareohlders is retained earnings.

STATEMENT OF CHANGES IN EQUITY
31 December 2022

In 2021 the Company distributed RR 10,770,584 thousand of remaining dividends for 2020 and RR 8,755,947 thousand of interim dividends for 2021. The remaining dividends for 2021 amounted to RR 400.3 (gross) per share and interim dividends for 2021 amounted to RR 325.42 (gross) per share.

CASH FLOW STATEMENT
31 December 2022

	Note	2022 RR 000	2021 RR 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**2,690,689**	19,352,359
Adjustments for:			
Depreciation of property, plant and equipment		**34**	32
Profit from the sale of financial assets at fair value through other comprehensive income	16	**(3,443,444)**	-
Dividend income	25	**(2,546,528)**	(19,195,385)
Interest income	13	**(6,005)**	(96,850)
Interest expense	25	**114,551**	70,470
Net foreign exchange gains		**236,970**	(249,423)
Cancellation of prior year dividends	25	**2,899,710**	-
		(54,023)	(118,797)
Changes in working capital:			
Increase in receivables		**(491,875)**	(2,473)
Increase in bank deposits		**(459,951)**	-
Increase in trade and other payables		**8,701**	2,997
Cash used in operations		**(997,148)**	(118,273)
Additional borrowings received in the year	25	**15,438**	4,215,145
Repayment of borrowing in the year	25	**(377,269)**	(2,525,565)
Loans receivable repaid in the year		**-**	9,143,214
Tax paid		**(4,974)**	(11,937)
Net cash (used in)/generated from operating activities		**(1,363,953)**	10,702,584
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	13	**6,005**	-
Dividends received		**1,087,506**	9,393,392
Capital contribution to subsidiary		**-**	(314,553)
Net cash generated from investing activities		**1,093,511**	9,078,839
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**-**	(19,526,532)
Net cash used in financing activities		**-**	(19,526,532)
Net (decrease)/increase in cash and cash equivalents		**(270,442)**	254,892
Cash and cash equivalents at beginning of the year		**19,365**	2,230
Effect of exchange rate fluctuations on cash held		**281,785**	(237,757)
Cash and cash equivalents at end of the year	**18**	**30,708**	19,365

1. Incorporation and principal activities

Country of incorporation

The Company Ros Agro Plc (the "Company") was incorporated in Cyprus on 1 December 2009 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 25 Aphrodite Street, 3rd Floor, Office 300, 1060 Nicosia, Cyprus.

It was converted into a public company in February 2011.

During the first half of 2011 the Company successfully completed an initial public offering ("IPO") of its shares in the form of global depositary receipts ("GDRs"). The Company's GDRs (one ordinary share represents 5 GDRs) are listed on the Main Market of the London Stock Exchange under the symbol "AGRO". The IPO included an offering by the Company of 20,000,000 GDRs. During 2014, GDRs of the Company have been admitted to trading on the Moscow Stock Exchange. In 2016, the Company successfully completed a secondary public offering ("SPO").

On 3 March 2022 the Company's GDR were suspended from trading at the London Stock Exchange following the Russia-Ukraine war and sanctions imposed on Russia.

Principal activity

The principal activity of the Company, which is unchanged from last year, is the holding of investments.

2. Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from Company's registered office and at the Company's website at www.rusagrogroup.ru

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2022 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Functional and presentation currency

The financial statements are presented in Russian Rubles (RR) which is the functional currency of the Company.

4. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Company.

5. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The financial statements of the Company have been prepared on a going concern basis.

Subsidiary companies

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity (company) when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

The Company recognizes dividend income from investments in subsidiaries to the extent that the Company receives distributions from subsidiaries which constitute return on the cost of investment. Capital reductions and dividend distributions by subsidiaries which constitute return of cost of investment as opposed to return on cost of investment are recognised as a reduction in the cost of investment in subsidiary.

The difference between investment cost and the legally issued share capital and share premium of the Company is recorded in other reserves for subsidiaries which are acquired as a result of reorganization of the group structure in a manner that satisfies the following criteria:

(a) the new parent obtains control of the original parent by issuing equity instruments in exchange for existing equity instruments of the original parent;

(b) the assets and liabilities of the new group and the original group are the same immediately before and after the reorganisation;

(c) the owners of the original parent before the reorganisation have the same absolute and relative interests in the net assets of the original group and the new group immediately before and after the reorganisation; and

(d) the Company measures cost at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganization.

Share-based payment transactions in subsidiary undertakings

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase/(decrease) to investment in subsidiary undertakings, with a corresponding credit/(debit) to equity in the parent entity financial statements.

5. Significant accounting policies (continued)

Revenue

Recognition and measurement

Revenue earned by the Company are recognised on the following bases:

- **Interest income**

  Interest income on financial assets at amortised cost is calculated using the effective interest method and is recognised separately on the face of statement of comprehensive income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit - impaired financial assets – Stage 3 the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance), for Stage 1 and Stage 2 – gross amount of financial assets.

- **Dividend income**

  Dividend income is recognised when the right to receive payment is established.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Russian Rubles (RR 000), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated in the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

5. Significant accounting policies (continued)

Current and deferred income tax (continued)

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is not recognised for: – temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; – temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the the Company's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the the Company's shareholders.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

5. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

5. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement (continued)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

5. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 7, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 7, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 7, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

5. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - modification (continued)

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued.

Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. In the absence of fees received, the fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

5. Significant accounting policies (continued)

Financial assets (continued)

Financial guarantee contracts (continued)

Financial guarantees are subsequently measured at the higher of (i) the amount determined in accordance with the expected credit loss model under IFRS 9 "Financial Instruments", and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 "Revenue from Contracts with customers".

Credit related commitments

The Company issues commitments to provide loans. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Company will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Company cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

5. Significant accounting policies (continued)

Financial assets (continued)

Borrowings (continued)

Borrowings are removed from the statement of financial position when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

5. Significant accounting policies (continued)

Treasury share reserve

Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. Where the Company purchases the Company's equity instruments, the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Company's owners until the equity instruments are cancelled, reissued or disposed of. Where such equity instruments are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's owners.

Transactions with equity owners/ subsidiaries

The Company enters into transactions with shareholders and subsidiaries. When consistent with the nature of the transaction, the Company's accounting policy is to recognise (a) any gains or losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends; and (b) any losses with subsidiaries as cost of investment in subsidiaries. Similar transactions with non-equity holders or subsidiaries, are recognised through the profit or loss in accordance with IFRS 9 'Financial Instruments'.

6. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

7. Financial risk management

Financial risk factors
The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

7.1 Market price risk

Foreign exchange risk

The Company attracts and provides financing and receives services denominated in foreign currencies and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollar and Euro.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

At 31 December 2022, if the Russian Rouble had weakened/strengthened by 10% (2021: 10%) against the US dollar and/or against the Euro with all other variables held constant, no significant foreign exchange risks arise.

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

7.2 Interest rate risk
The Company's interest rate risk arises from interest-bearing assets and borrowings. Interest-bearing assets and borrowings at variable rates expose the Company to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Company to fair value interest rate risk due to fluctuations in the market value of balances.

As at 31 December 2022 and 31 December 2021 there were no loans issued.

7. Financial risk management (continued)

7.3 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents and other financial assets.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:
- cash and cash equivalents
- other financial assets

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:
- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:
- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Low credit risk

The Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Receivables from related parties

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Company assesses whether there was a significant increase in credit risk.

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Receivables from related parties (continued)

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

Company internal credit rating	2022 RR 000	2021 RR 000
Performing	12,000,378	-
Total	**12,000,378**	-

The Company does not hold any collateral as security for any receivables from related parties.

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

Company internal credit rating	External credit rating	2022 RR 000	2021 RR 000
Performing	AAA - A	487,779	16,704
Underperforming	BBB - B	3,835	1,092
Not performing	CCC - C	-	1,569
Total		**491,614**	19,365

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

7.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

7. Financial risk management (continued)

7.4 Liquidity risk (continued)

31 December 2022	Within 1 year RR 000
Bank overdrafts (Note 21)	955
Trade and other payables (Note 22)	5,765
Payables to related parties (Note 25)	7,144
Loans from own subsidiaries (Note 25)	2,498,556
Financial guarantees (Note 26)	2,780,000
	5,292,420

31 December 2021	Within 1 year RR 000
Trade and other payables (Note 22)	3,215
Payables to related parties (Note 25)	4,549
Loans from own subsidiaries (Note 25)	2,745,836
Financial guarantees (Note 26)	2,780,000
	5,533,600

7.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

7.6 Capital risk management
Capital includes equity shares and share premium.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

8. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

  Management has made an assessment of the Company's ability to continue as a going concern.

8. Critical accounting estimates, judgments and assumptions (continued)

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 7, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

9. Interest income

	2022 RR 000	2021 RR 000
Interest income on bank deposits	-	264
Interest income on loans issued third parties	-	948
Interest income on loans issued - related parties (Note 25.5)	-	95,638
	-	96,850

10. Other operating income

	2022 RR 000	2021 RR 000
Profit from sale of financial assets at fair value through other comprehensive income (Note 16)	3,443,444	-
Other operating income (Note 25.3)	378	421
	3,443,822	421

11. Administration expenses

	2022 RR 000	2021 RR 000
Rent and other office expenses	821	1,179
Auditors' remuneration	3,113	5,284
Legal, consulting and other professional fees	17,010	60,296
Fines	214	-
Irrecoverable VAT	3,236	5,542
Key management personnel compensation (Note 25.1)	10,114	27,328
Other personell remuneration (including social insurance costs)	13,810	14,824
Bank charges	6,117	4,797
Sundry expenses	-	(1)
	54,435	119,250

The average number of employees employed by the Company during the year ended 31 December 2022 was 4 (4 for the year ended 31 December 2021).

12. Operating profit

	2022 RR 000	2021 RR 000
Operating profit is stated after (crediting)/charging the following items:		
Profit from the sale of financial assets at fair value through other comprehensive income (Note 16)	(3,443,444)	-
Depreciation of property, plant and equipment	34	-
Auditors' remuneration	3,113	5,284

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

13. Finance income/(costs)

	2022 RR 000	2021 RR 000
Bank Interest income on deposits	**6,005**	-
Net foreign exchange profits	**-**	249,423
Finance income	**6,005**	249,423
Net foreign exchange losses	**(236,970)**	-
Finance costs	**(236,970)**	-
Net finance (costs)/income	**(230,965)**	249,423

14. Tax

	2022 RR 000	2021 RR 000
Corporation tax - current year	**-**	11,937
Overseas tax - prior years (Note 25.3)	**(144,986)**	-
Overseas tax	**-**	362,305
Defence contribution - current year	**1,802**	-
(Credit)/charge for the year	**(143,184)**	374,242

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2022 RR 000	2021 RR 000
Profit before tax	**2,690,689**	19,352,359
Tax calculated at the applicable tax rates	**336,336**	2,419,045
Tax effect of expenses not deductible for tax purposes	**413,161**	23,531
Tax effect of allowances and income not subject to tax	**(749,497)**	(2,430,639)
Defence contribution current year	**1,802**	-
Prior year overseas tax (Note 25.3)	**(144,986)**	-
Overseas tax in excess of credit claim used during the year	**-**	362,305
Tax charge	**(143,184)**	374,242

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

15. Investments in subsidiaries

	2022 RR 000	2021 RR 000
Balance at 1 January	**24,234,900**	23,920,347
Additions	**-**	314,553
Balance at 31 December	**24,234,900**	24,234,900

15. Investments in subsidiaries (continued)

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2022 Holding %	2021 Holding %	**2022 RR 000**	2021 RR 000
OJSC Rusagro Group	Russian Federation	Investment holding, financing	100	100	**3,710,257**	3,710,257
Ros Agro China Limited	Hong Kong	Investment holding, financing	100	100	**20,520,777**	20,520,777
Ros Agro Trading Limited	Hong Kong	Investment holding, financing	100	100	**3,866**	3,866
					24,234,900	24,234,900

During 2021, RR 314,553 were injected as share capital of Ros Agro China Limited without alloting and issuing new shares.

15. Investments in subsidiaries (continued)

The Company's interests in key direct and indirect principal subsidiaries, all of which are unlisted, were as follows:

Name	Country of incorporation	Principal activities	2022 Holding %	2021 Holding %
OJSC Rusagro Group (direct)	Russia	Investment holding, financing	100	100
Ros Agro China Limited (direct)	Hong Kong	Investment holding, financing	100	100
Ros Agro Trading Limited (direct)	Hong Kong	Investment holding, financing	100	100
LLC Group of Companies Rusagro	Russia	Investment holding, financing	100	100
LLC Rusagro Technologii	Russia	IT services	100	100
LLC Rusagro-Sakhar	Russia	Sugar division trading company, sales operations	100	100
LLC Rusagro-Belgorod	Russia	Beet and raw sugar processing	100	100
LLC Rusagro-Tambov	Russia	Beet and raw sugar processing	100	100
OJSC Krivets-Sakhar	Russia	Beet and raw sugar processing	100	100
OJSC Kshenskiy Sugar Plant	Russia	Beet and raw sugar processing	100	100
OJSC Otradinskiy Sugar Plant	Russia	Beet and raw sugar processing	100	100
OJSC Hercules	Russia	Buckwheat processing plant	100	100
OJSC Fats and Oil Integrated Works	Russia	Oil processing	100	100
CSJC Samaraagroprompererabotka	Russia	Oil extraction	100	100
LLC Primorskaya Soya	Russia	Oil extraction and processing	100	100
LLC Rusagro-Saratov	Russia	Oil processing	100	100
LLC Rusagro-Atkarsk	Russia	Oil extraction	100	100
LLC Rusagro-Balakovo	Russia	Oil extraction	100	100
LLC Rusagro-Zakupki	Russia	Oil and Fat raw materials procurement	100	100
LLC Tambovksy Bacon	Russia	Cultivation of pigs	100	100
LLC Rusagro-Primorie	Russia	Cultivation of pigs	100	100
LLC Regionstroy	Russia	Construction for cultivation of pigs	n/a	100
LLC Rusagro-Invest	Russia	Agriculture	100	100
LLC Agrotechnology	Russia	Agriculture	100	100
CJSC Primagro	Russia	Agriculture	100	100
LLC Kshenagro	Russia	Agriculture	100	100
LLC Otradaagroinvest	Russia	Agriculture	100	100
LLC Vozrozhdenie	Russia	Agriculture	100	100
LLC Agromeliorant	Russia	Production of fertilizers	100	100

16. Financial assets at fair value through other comprehensive income

	2022	2021
	RR 000	RR 000
Balance at 1 January	**8,556,556**	8,556,556
Disposals	**(8,508,500)**	-
Revaluation difference transferred to equity (Note 20)	**(48,056)**	-
Balance at 31 December	**-**	8,556,556

On 3 December 2019 the Company acquired 22.5% of ownership interest in LLC GK Agro-Belogorie, one of the largest pork producers in Russia and a large landholder in Belgorod region, for a total consideration of RR 8,508,500, paid in cash during 2020. Key business areas of investee include industrial pig farming and meat processing, milk livestock, crop and feed production.

Subsequent to the initial recognition this investment is measured at fair value through other comprehensive income. Changes in the fair value are recognised in the fair value reserve in other comprehensive income. As at 31 December 2021 the fair value of the acquired investment amounted to RR 8,556,556.

The 22.5% ownership interest in LLC GK Agro-Belogorie was disposed on 15 June 2022 to group company LLC Rusagro Group of Companies for a consideration equal to RR 12,000,000, resulting in a gain on disposal equal to RR3,443,444.

No dividend income was received from the investment in LLC GK Agro-Belogorie prior to disposal on 15 June 2022 (2021: RR794,250).

(i) Disposal of equity investments

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

(ii) Amounts recognised in profit or loss and other comprehensive income

The following are included in profit or loss with respect to financial assets at fair value through other comprehensive income:

	2022	2021
	RR 000	RR 000
Profit from sale of financial assets at fair value through other comprehensive income	**3,443,444**	-
Net profit on financial assets at fair value through other comprehensive income	**3,443,444**	-

17. Receivables

	2022	2021
	RR 000	RR 000
Receivables from own subsidiaries (Note 25.4)	**378**	-
Receivables from related parties (Note 25.4)	**12,000,000**	-
Deposits and prepayments	**70**	2,608
Dividends Receivables (Note 25.4)	**8,479,254**	9,801,993
Refundable VAT	**719**	-
	20,480,421	9,804,601

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

17. Receivables (continued)

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 7 of the financial statements.

18. Cash at bank and in hand

	2022 RR 000	2021 RR 000
Cash at bank and in hand	**31,663**	19,365
Bank deposits	**459,951**	-
	491,614	19,365

The effective interest rate on short-term bank deposits was 3,95%.

Cash and cash equivalents by type:

	2022 RR 000	2021 RR 000
USD	**462,822**	8,597
Euro	**27,659**	10,127
Russian Roubles	**373**	641
CHF	**760**	-
	491,614	19,365

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2022 RR 000	2021 RR 000
Cash at bank and in hand	**31,663**	19,365
Bank overdrafts (Note 21)	**(955)**	-
	30,708	19,365

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 7 of the financial statements.

19. Share capital and share premium

	2022 Number of shares	2022 EUR 000	2021 Number of shares	2021 EUR 000
Authorised				
Ordinary shares of €0.01 each	**60,000,000**	**600**	60,000,000	600

Issued and fully paid	**Number of shares**	**Share capital RR 000**	**Share premium RR 000**	**Total RR 000**
Balance at 1 January 2021	27,333,333	12,269	26,972,879	26,985,148
Balance at 31 December 2021/ 1 January 2022	**27,333,333**	**12,269**	**26,972,879**	**26,985,148**
Balance at 31 December 2022	**27,333,333**	**12,269**	**26,972,879**	**26,985,148**

19. Share capital and share premium (continued)

All ordinary shares rank equally with regard to the Company's residual assets.

Treasury reserve
On 25 August 2011 the Board unanimously resolved that it is in the best interest of the Company to buy back GDRs from the market for the total amount of up to USD 10 million increased to up to USD30 million via subsequent Board's decision on 17 July 2012.

At 31 December 2022 and 2021, the Company held 2,135,113 of its own GDRs (approximately 427,063 shares) that is equivalent to RR 490,607 thousand (Note 20), representing 1.6% of its issued share capital. The GDRs are held as 'treasury shares'.

No GDRs were transferred to the employees under the share option incentive scheme during 2022 and 2021.

During 2022 and 2021 the Company did not buy back any of its own GDRs from the market.

On 3 March 2022 the Company's GDR were suspended from trading at the London Stock Exchange following the Russia-Ukraine war and sanctions imposed on Russia.

20. Other reserves

	Treasury shares RR 000	Fair value reserve - Financial assets at fair value through other comprehensive income RR 000	Share based payment reserve RR 000	Other reserve RR 000	Total RR 000
Balance at 1 January 2021	(490,607)	48,056	1,313,691	(16,272)	854,868
Balance at 31 December 2021/ 1 January 2022	**(490,607)**	**48,056**	**1,313,691**	**(16,272)**	**854,868**
Transfer to net profit due to disposal	-	(48,056)	-	-	(48,056)
Balance at 31 December 2022	**(490,607)**	**-**	**1,313,691**	**(16,272)**	**806,812**

Under share option incentive schemes for top-management of the Group, certain employees of the Group were granted GDRs of the Company provided they remained in their position upto a specific date in the past. The increase in equity to reflect this transaction was recognised in the share based payment reserve.

21. Borrowings

	2022 RR 000	2021 RR 000
Current borrowings		
Bank overdrafts (Note 18)	**955**	-
Loans from own subsidiaries (Note 25.7)	**2,498,556**	2,745,836
	2,499,511	2,745,836

22. Trade and other payables

	2022 RR 000	2021 RR 000
Social insurance and other taxes	433	439
VAT	-	146
Directors' current accounts - credit balances (Note 25.8)	2,837	-
Accruals	3,708	-
Other creditors	5,765	3,215
Payables to own subsidiaries (Note 25.6)	4,307	4,549
	17,050	8,349

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

23. Current tax liabilities

	2022 RR 000	2021 RR 000
Corporation tax	-	6,571
Special contribution for defence	1,802	-
	1,802	6,571

24. Operating Environment of the Company

The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations (Note 32) which contribute together with other legal and fiscal impediments to the challenges faced by entities operating in the Russian Federation. The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals.

Starting in 2014, the United States of America, the European Union and some other countries have imposed and gradually expanded economic sanctions against a number of Russian individuals and legal entities. Since February 2022, after the recognition of the self-proclaimed Donetsk and Lugansk People's Republics and the start of a special military operation in Ukraine by the Russian Federation, the above countries have imposed additional tough sanctions against the Government of the Russian Federation, as well as large financial institutions, legal entities and individuals in Russia. In addition, restrictions were imposed on the supply of various goods and services to Russian enterprises. Also, in the context of the imposed sanctions, a number of large international companies from the United States, the European Union and other countries discontinued, significantly reduced or suspended their own activities in the Russian Federation, as well as doing business with Russian citizens and legal entities.

In September 2022, partial mobilization was announced in the Russian Federation. Referendums were held in the recognized republics of Donetsk and Lugansk, as well as in the Zaporozhye and Kherson regions of Ukraine, which resulted in incorporation of the territories into the Russian Federation. As a result of these events further sanctions were imposed and there is a risk of increasing pressure on the Russian economy. In response to the above , the Government of the Russian Federation has introduced a set of measures, which are counter-sanctions, currency control measures, a number of key interest rate decisions and other special economic measures to ensure the security and maintain the stability of the Russian economy.

24. Operating Environment of the Company (continued)

The imposition and subsequent strengthening of sanctions and the partial mobilization resulted in elevated economic uncertainty, including reduced liquidity and high volatility in the capital markets, volatility of the Rouble exchange rate and the key interest rate, a decrease in foreign and domestic direct investments, difficulties in making payments for Russian Eurobond issuers, and also a significant reduction in the availability of sources of debt financing.

In addition, Russian companies have virtually no access to the international stock market, the debt capital market and other development opportunities, which may lead to their increased dependence on the governmental support. The Russian economy is in the process of adaptation associated with the replacement of retiring export markets, a change in supply markets and technologies, as well as changes in logistics, supply and production chains.

It is difficult to assess the consequences of the imposed and possible additional sanctions as well as partial mobilization, in the long term, however, these events can have a significant negative impact on the Russian economy.

Although the COVID-19 pandemic had no significant impact on business activity, the Group is taking actions to reduce COVID-19 exposure and support its personnel. The specifics of the Group's business does not allow transferring all personnel to distance work. However, the Group did utmost to increase the share of employees handling their duties remotely. All employees were provided with personal protective equipment and antiseptics, and all surfaces and common areas at offices and enterprises were given additional disinfection. Maintaining business processes and additional focusing on occupational safety helped the Group to demonstrate strong operating and financial results in 2022.

The financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

25. Related party transactions

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Company does not have the ultimate controlling party in accordance with the definitions of control described in IFRS 10 Consolidated financial statements.

25. Related party transactions (continued)

The following transactions were carried out with related parties:

25.1 Members of the Board of Directors and Key Management Personell

Share-Based Remuneration

In 2017 the Group initiated a share option incentive scheme for its top-management. Under this scheme the employees were granted GDRs of the Company provided they remained in their position up to a specific date in the future. The amount of GDRs granted were dependent on the average market prices of GDRs for the period preceding this date. Vesting period of the scheme ended by 31 December 2019. No expenses or gains were recognized under the scheme for the years ended 31 December 2022 and 2021, no GDRs of the Company were transferred to the employees under the scheme in 2022 and 2021.

As at 31 December 2022, the share-based payment reserve accumulated in equity as a result of the share-based payment transactions amounted to RR 1,313,691 (2021: RR 1,313,691).

Key managment personnel compensation

The key management personnel compensation included in administrative expenses comprised of Directors' fees was as follows:

	2022	2021
	RR 000	RR 000
Directors' fees	**10,114**	27,328
	10,114	27,328

25.2 Revenue from transactions with related parties

		2022	2021
	Nature of transactions	**RR 000**	RR 000
Subsidiaries	Dividend income	**2,546,528**	18,401,135
Subsidiaries	Other operating income	**378**	421
		2,546,906	18,401,556

25.3 Costs from transactions with related parties

		2022	2021
	Nature of transactions	**RR 000**	RR 000
Subsidiaries	Loan interest cost	**114,551**	70,470
Subsidiaries	Cancellation of prior years dividends	**2,899,710**	-
		3,014,261	70,470

On 1 March 2022 the Company, being the sole shareholder of subsidiary Rusagro Group LLC, decided to cancel out the Decision for Dividend Distribution dated 13 December 2021. The dividend income and respective withholding tax recognised as at 31 December 2021 were reversed in the Statement of Profit and loss and Other Comprehensive Income as at 31 December 2022.

25. Related party transactions (continued)

25.4 Receivables from related parties (Note 17)

Name	Nature of transactions	2022 RR 000	2021 RR 000
Rus Agro Group of companies LLC	Proceeds from disposal of shares	**12,000,000**	-
Ros Agro China Limited	Dividend receivable	**2,191,577**	-
Ros Agro Trading Limited	Dividend receivable	**6,287,677**	6,670,000
Ros Agro Trading Limited	Other receivable	**378**	-
OJSC Rusagro Group	Dividend receivable	-	2,754,525
Agro-Belogorie LLC	Dividend receivable	-	377,269
		20,479,632	9,801,794

The receivables from related parties were provided interest free, and there was no specified repayment date.

25.5 Loans to related parties

	2022 RR 000	2021 RR 000
Balance at 1 January	-	9,031,494
Loans repaid	-	(9,024,097)
Interest income	-	95,638
Interest repaid	-	(103,035)
Balance at 31 December	-	-

During 2020, a loan to Ros Agro Trading Limited was provided at an interest rate of 3.75%. The loan was unsecured and repayable on demand but not later than 18 December 2021. As at 31 December 2021 the loan was settled.

25.6 Payables to related parties (Note 22)

Name	Nature of transactions	2022 RR 000	2021 RR 000
Ros Agro China Limited	Share contributions	**4,307**	4,549
		4,307	4,549

25.7 Loans from related parties (Note 21)

	2022 RR 000	2021 RR 000
Ros Agro Trading Limited	**2,498,556**	2,745,836
	2,498,556	2,745,836

	2022 RR 000	2021 RR 000
Balance at 1 January	**2,745,836**	1,104,666
Loans received in the year	**15,438**	4,215,145
Loans repaid	**(377,269)**	(2,525,565)
Foreign exchange differences	-	(118,880)
Interest expense	**114,551**	70,470
Balance at 31 December	**2,498,556**	2,745,836

The loan was provided at an interest rate of 5% (2021: 5%) per annum, is repayble by 31 December 2023 and is unsecured.

25. Related party transactions (continued)

25.8 Directors' current accounts - credit balances (Note 22)

	2022	2021
	RR 000	RR 000
Androulla Koumourou	1,419	-
Konstantinos Konstantinidis	1,418	-
	2,837	-

The Directors' current accounts are interest free, and have no specified repayment date.

26. Contingent liabilities

Guarantees granted to subsidiaries

During 2015 the Company granted a corporate guarantee covering the non - performance by an indirect subsidiary of the Company in respect of a bank loan for the total amount of RR 2,780.000. The guarantee was provided free of charge and is valid until 26 November 2031.

During 2022 and 2021 the Company has not granted any guarantees to its subsidiaries.

The fair value on initial recognition of the guarantees was not recognised as the Board of Directors estimates that the effect on the Company's financial statements is not significant.

27. Commitments

The Company had no capital or other commitments as at 31 December 2022.

28. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 8 to 10

DETAILED INCOME STATEMENT
31 December 2022

	Page	2022 RR 000	2021 RR 000
Revenue			
Dividend income		**2,546,528**	19,195,385
Interest income		**-**	96,850
Total revenue		**2,546,528**	19,292,235
Interest cost and cancellation of prior year dividends		**(3,014,261)**	(70,470)
Gross (loss)/profit		**(467,733)**	19,221,765
Other operating income			
Profit from sale of financial assets at fair value through other comprehensive income		**3,443,444**	-
Other operating income		**378**	421
		2,976,089	19,222,186
Operating expenses			
Administration expenses	45	**(54,435)**	(119,250)
Operating profit		**2,921,654**	19,102,936
Finance income	46	**6,005**	249,423
Finance costs	46	**(236,970)**	-
Net profit for the year before tax		**2,690,689**	19,352,359

SELLING AND DISTRIBUTION EXPENSES
31 December 2022

	2022	2021
	RR 000	RR 000
Administration expenses		
Rent and other office expenses	**787**	1,178
Auditors' remuneration	**3,113**	5,284
Legal, consulting and other professional fees	**17,010**	60,296
Fines	**214**	-
Irrecoverable VAT	**3,236**	5,542
Key management personnel compensation	**10,114**	27,328
Other personell remuneration	**13,810**	14,824
Bank charges	**6,117**	4,797
Depreciation	**34**	-
	54,435	119,249

FINANCE INCOME/COSTS
31 December 2022

	2022 RR 000	2021 RR 000
Finance income		
Bank interest	**6,005**	-
Realised foreign exchange profit	-	249,423
	6,005	249,423

	2022 RR 000	2021 RR 000
Finance costs		
Net foreign exchange losses		
Realised foreign exchange loss	**236,970**	-
	236,970	-

COMPUTATION OF DEFENCE CONTRIBUTION
31 December 2022

	Income RR 000	Rate	Defence RR
INTEREST			
Interest that was not subject to deduction at source	6,005		
	6,005	30%	1,802
DEFENCE CONTRIBUTION DUE TO IRD			1,802

COMPUTATION OF CORPORATION TAX
31 December 2022

	Page	RR 000	RR 000
Net profit per income statement	44		2,690,689
Add:			
Depreciation		34	
Realised foreign exchange loss		236,970	
Fines		214	
Non-allowable expenses from investing activity		3,068,070	
			3,305,288
			5,995,977
Less:			
Profit from sale of financial assets at fair value through other comprehensive income		3,443,444	
Dividends received		2,546,528	
Interest income		6,005	
			(5,995,977)
Chargeable income for the year			-