

**ROS AGRO PLC**

**Investor Presentation**

**9M2018 and Q3 2018**



**12 November 2018**

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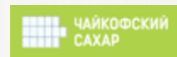
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# Section 1

## Summary Key Indicators (IFRS)

9M 2018 and Q3 2018 vs 9M 2017 and Q3 2017



## M&A deals

### 1 KapitalAgro acquisition (Meat Business)

Rusagro Group invested RR 1.8 billion in acquisition of CJSC KapitalAgro and LLC TD KapitalAgro. Net debt of acquired companies is RR 1.9 billion. The transaction includes pig farms (10.4 ths sows) and a slaughterhouse (annual capacity 400 ths heads). Rusagro is planning to invest around RR 300 million in modernization of the farms and the slaughterhouse. As the result of the deal, Rusagro will increase its share of carcasses, large and small cuts market.

### 2 Milk products business division launch

Rusagro Group of Companies launched sales of cheese and butter, produced in Samara region. Product sales will be managed by OOO Molochnye producty Rusagro. Rusagro intends to further expand its presence in milk industry.

### 3 Land acquisition in Tambov

Rusagro Group purchased of 100% stake in OOO Vozrozhdenie, which controls 11 thousand hectares of land. The land is located in Michurinsky district in Tambov region not far from Sugar plant Nikiforovsky. The Company plans to implement sugar beet crop rotation on this land and develop irrigation system.

# Net revenue, Adjusted EBITDA: Actual Q3 2018 vs Actual Q3 2017

## Comments

Net Revenue increased by RR 2,307 million (+14%):

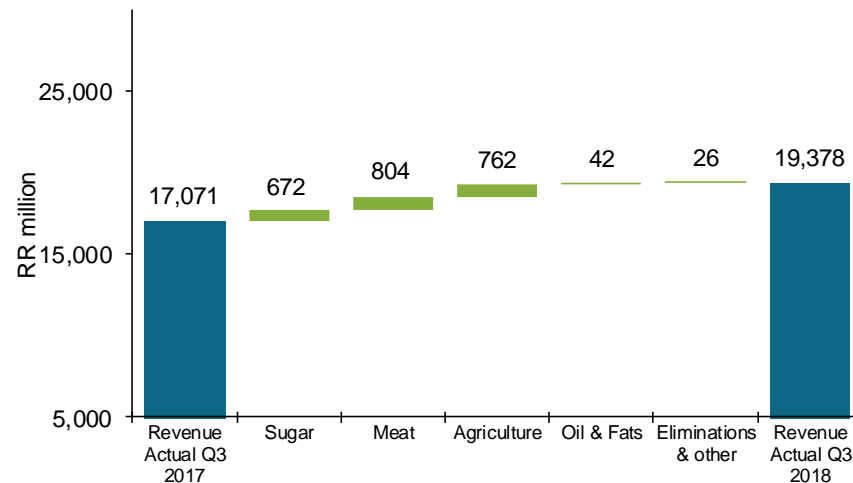
- Sugar sales increased by RR 672 million (+11%) as a result of a decrease in sales prices of sugar and buckwheat and an increase in sales volume of sugar.
- Meat sales increased by RR 804 million (+16%) due to an increase in sales price and sales volume of livestock pigs and processed pork.
- Agriculture sales increased by RR 762 million (+25%) thanks to an increase in sales price of all crops in Q3 2018.
- Oil & Fats sales increased by RR 42 million (+1%) as a result of an increase in sales volume of bottled oil and increase in sales prices of bulk oil, meal and margin which was partly offset by a decrease in sales volume of mayonnaise, margarine and bulk oil.

Adjusted EBITDA margin increased from 18% in Q3 2017 to 23% in Q3 2018.

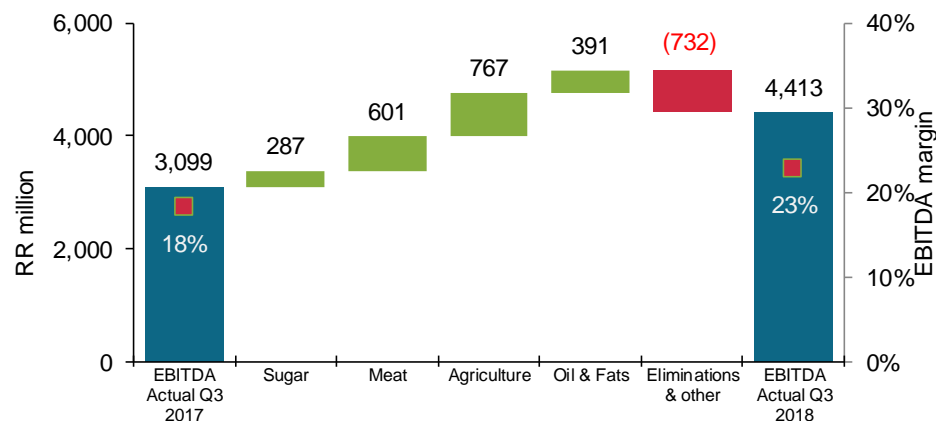
Adjusted EBITDA increased by RR 1,314 million or 42%.

All divisions showed an increase in Adjusted EBITDA.

### Net revenue (IFRS) Actual Q3 2018 vs Actual Q3 2017



### Adjusted EBITDA Actual Q3 2018 vs Actual Q3 2017



# Net revenue, Adjusted EBITDA: Actual 9M 2018 vs Actual 9M 2017

## Comments

Net Revenue decreased by RR 2,636 million (-5%):

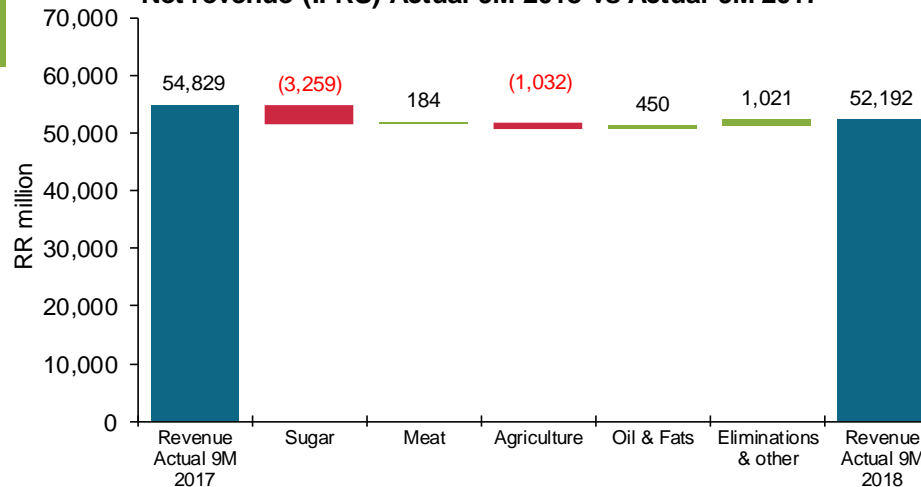
- Sugar sales decreased by RR 3,259 million (-5%) as a result of a decrease in sales price and sales volume of sugar.
- Meat sales increased by RR 184 million (+1%) due to a decrease in sales price and sales volume of livestock pigs that was partly compensated by increase in sales volume of processed pork.
- Agriculture sales decreased by RR 1,032 million (-13%) mainly due to a decrease in sales volumes of almost all crops in 9M 2018.
- Oil & Fats sales increased by RR 450 million (+3%) as a result of an increase in sales volume of bottled oil and an increase in sale prices of meal which was partly offset by a decrease in sales volume of all products (excl. bottled oil) and decrease in a sales prices of bottled oil.

Adjusted EBITDA margin increased from 16% in 9M 2017 to 20% in 9M 2018.

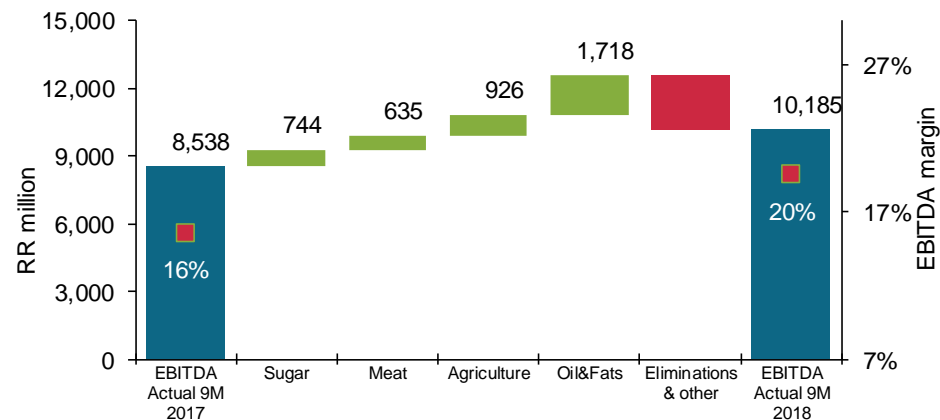
Adjusted EBITDA increased by RR 1,647 million or 19%.

All divisions showed a increase in Adjusted EBITDA.

### Net revenue (IFRS) Actual 9M 2018 vs Actual 9M 2017



### Adjusted EBITDA Actual 9M 2018 vs Actual 9M 2017



# Statement of Comprehensive income (IFRS)

## ROS AGRO PLC



Description	Actual 9M 2018	Actual 9M 2017	Variances	
			Units	%
<b>Sales</b>	<b>52,192</b>	<b>54,829</b>	<b>(2,636)</b>	<b>(5)</b>
Net gain/ (loss) on revaluation of biological assets and agricultural produce	4,181	(2,555)	6,736	264
Cost of sales	(37,419)	(41,494)	4,075	10
Net gain/ (loss) from trading derivatives	6	(10)	16	164
<b>Gross profit</b>	<b>18,961</b>	<b>10,769</b>	<b>8,192</b>	<b>76</b>
Distribution and selling expenses	(4,956)	(5,310)	354	7
General and administrative expenses	(4,061)	(3,547)	(513)	(14)
Other operating (expenses)/ income, net	(1,776)	(212)	(1,564)	(736)
<b>Operating profit / (loss)</b>	<b>8,168</b>	<b>1,700</b>	<b>6,468</b>	<b>381</b>
Interest expense	(1,737)	(1,862)	125	7
Interest income	2,708	3,198	(490)	(15)
Net gain/ (loss) from bonds held for trading	(29)	9	(38)	(433)
Other financial expenses, net	(36)	12	(48)	(411)
Share of results of associates	-	11	(11)	-
<b>Profit / (loss) before taxation</b>	<b>9,074</b>	<b>3,067</b>	<b>6,006</b>	<b>196</b>
Income tax expense	(441)	22	(463)	(2,125)
<b>Profit / (loss) for the period</b>	<b>8,633</b>	<b>3,089</b>	<b>5,543</b>	<b>179</b>
Change in value of available-for-sale financial assets	-	(154)	154	(100)
Net change in fair value of available-for-sale financial assets transferred to profit or loss	-	301	(301)	(100)
Income tax relating to other comprehensive income	-	31	(31)	(100)
Income tax relating to other comprehensive income transferred to profit or loss	-	(60)	60	(100)
<b>Total comprehensive income / (loss) for the period</b>	<b>8,633</b>	<b>3,207</b>	<b>5,426</b>	<b>169</b>
<b>Profit / (loss) is attributable to:</b>				
Owners of ROS AGRO PLC	8,612	3,178	5,434	171
Non-controlling interest	20	(89)	110	123
<b>Profit / (loss) for the period</b>	<b>8,633</b>	<b>3,089</b>	<b>5,543</b>	<b>179</b>
<b>Total comprehensive income / (loss) is attributable to:</b>				
Owners of ROS AGRO PLC	8,612	3,296	5,316	161
Non-controlling interest	20	(89)	110	123
<b>Total comprehensive income / (loss) for the period</b>	<b>8,633</b>	<b>3,207</b>	<b>5,426</b>	<b>169</b>

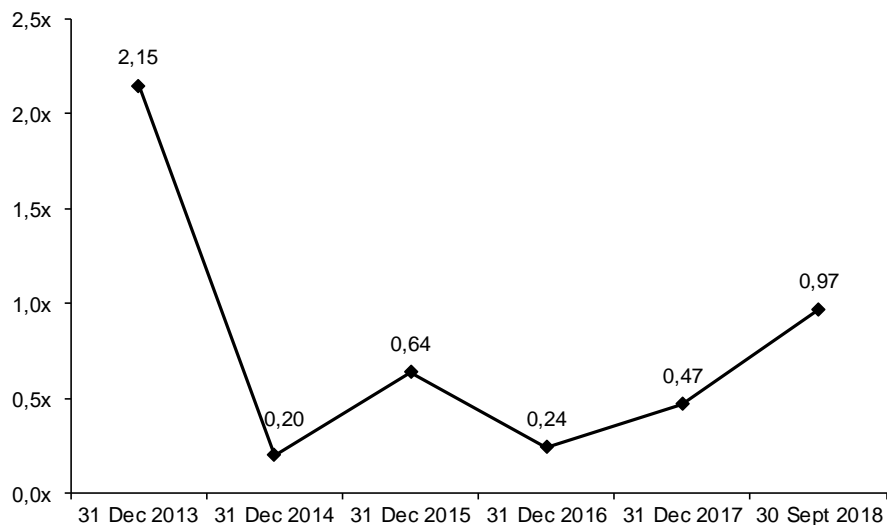
## Comments

- Gross debt increased by RR 4,771 million (+10%) up to RR 51,422 million
- Net debt increased by RR 8,498 million (129%) to RR 15,102 million
- Major banks and their ratio in the Group's credit portfolio (excl. non-bank loans): Vnesheconombank (34%), Alfa bank (46%), Sberbank (13%).

Net finance income in 9M 2017 in the sum of RR 1,357 million decreased to net finance income in amount of RR 906 million in the 9M 2018 (33% or RR 451 million decrease) due to:

- RR - 490 million of loss in net interest income as a result of lower average interest rates;
- RR -38 million of a decrease in net gain/loss from bonds held for trading;

## Net debt / LTM EBITDA



## Debt position and liquidity management

in RR million	30 September 2018	31 December 2017	Variance	
			Units	%
<b>Gross debt</b>	<b>51,422</b>	<b>46,651</b>	<b>4,771</b>	<b>10</b>
Short-term borrowings	8,000	8,864	(863)	(10)
Long-term borrowings	43,422	37,788	5,634	15
<b>Cash and cash equivalents, bank deposits and bonds</b>	<b>(36,320)</b>	<b>(40,048)</b>	<b>3,727</b>	<b>9</b>
Short-term cash, deposits and bonds	(19,203)	(22,901)	3,698	16
Long-term cash, deposits and bonds	(17,117)	(17,146)	29	0
<b>Net debt</b>	<b>15,102</b>	<b>6,604</b>	<b>8,498</b>	<b>129</b>
Short-term borrowings, net	(11,203)	(14,038)	2,835	20
Long-term borrowings, net	26,305	20,642	5,663	27
<b>Adjusted EBITDA (LTM)</b>	<b>15,603</b>	<b>13,955</b>	<b>1,647</b>	<b>12</b>
<b>Net debt/ Adjusted EBITDA (LTM)</b>	<b>0.97</b>	<b>0.47</b>	<b>0.5</b>	

## Net finance income/ (expense)

in RR million	9M 2018	9M 2017	Variance		Three months ended		Variance	
			Units	%	30 September 2018	30 September 2017	Units	%
<b>Net interest expense</b>	<b>(1,737)</b>	<b>(1,862)</b>	<b>125</b>	<b>7</b>	<b>(658)</b>	<b>(538)</b>	<b>(120)</b>	<b>(22)</b>
Gross interest expense	(2,395)	(2,383)	(12)	(1)	(806)	(784)	(22)	(3)
Reimbursement of interest expense	658	522	137	26	148	246	(98)	(40)
<b>Interest income</b>	<b>2,708</b>	<b>3,198</b>	<b>(490)</b>	<b>(15)</b>	<b>893</b>	<b>1,093</b>	<b>(199)</b>	<b>(18)</b>
<b>Net gain / (loss) from bonds held for trading</b>	<b>(29)</b>	<b>9</b>	<b>(38)</b>	<b>-</b>	<b>(21)</b>	<b>2</b>	<b>(23)</b>	<b>-</b>
<b>Other financial income / (expenses), net</b>	<b>(36)</b>	<b>12</b>	<b>(48)</b>	<b>-</b>	<b>45</b>	<b>(50)</b>	<b>95</b>	<b>-</b>
Net foreign exchange gain / (loss)	(56)	26	(82)	-	47	(45)	92	-
Other financial expenses, net	19	(15)	34	-	(2)	(4)	3	62
<b>Total net finance income / (expenses)</b>	<b>906</b>	<b>1,357</b>	<b>(451)</b>	<b>(33)</b>	<b>259</b>	<b>506</b>	<b>(247)</b>	<b>(49)</b>



# Statement of financial position: Key changes 30 September 2018 vs 31 December 2017



## Comments

### ASSETS

- PPE & LT biological assets\* increased by RR 9,860 million (RR +8,957 million in Meat, RR +595 million in Oil, RR -569 million in Agriculture and RR +586 million in Sugar). Higher balance of PPE including advances in Meat division is related to the pig-breeding farms and slaughter house construction. Hereinafter on this slide segments figures are presented excluding intercompany balances.
- Cash & Investments\*\* decreased by RR 1,305 million. For details refer to the next slide Cash Flows.
- Inventories & ST biological assets increased by RR 7,525 million (RR -3,523 million in Sugar, RR +1,128 million in Meat, RR +13,704 million in Agriculture and RR -2,990 million in Oil). Decrease in inventories level in Sugar division is attributed to sales of sugar from the prior year stock. Significant increase of inventories in Agricultural division includes current year harvest collected to the date. Lower inventory in Oil includes mainly decrease in raw materials (sunflower seeds in Samara oil plant and soybean in Primorskaya Soya).
- Receivables & Prepayments decreased by RR 1,933 million (RR -273 million in Oil, RR -1,999 million in Agriculture, RR +245 million in Sugar, RR +68 million in Meat and RR +26 million in Other). Variance in balances is within normal course of business.
- Taxes\*\*\* increased by RR 88 million as a result of a decrease in VAT receivable in amount of RR 389 million (RR -632 million in Sugar, RR -46 million in Meat division, RR +584 million in Agricultural division and RR -294 million in Oil), an increase in deferred tax asset by RR 273 million and an increase in CIT by RR 127 million.

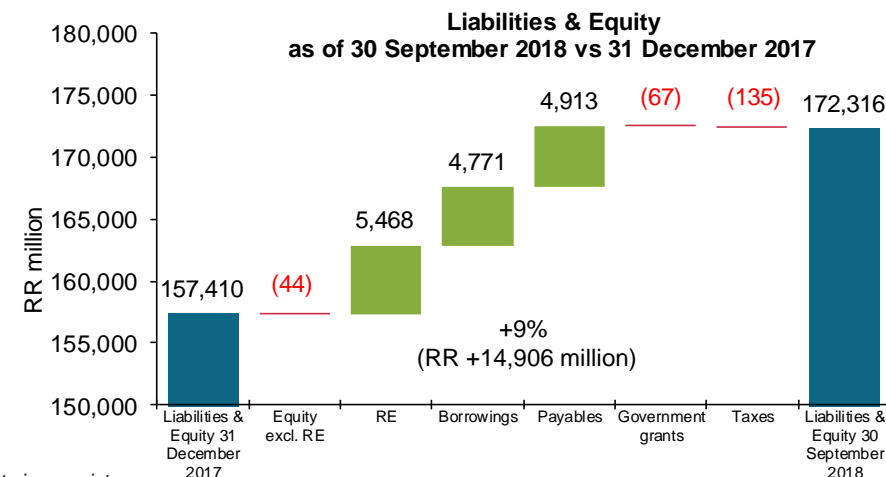
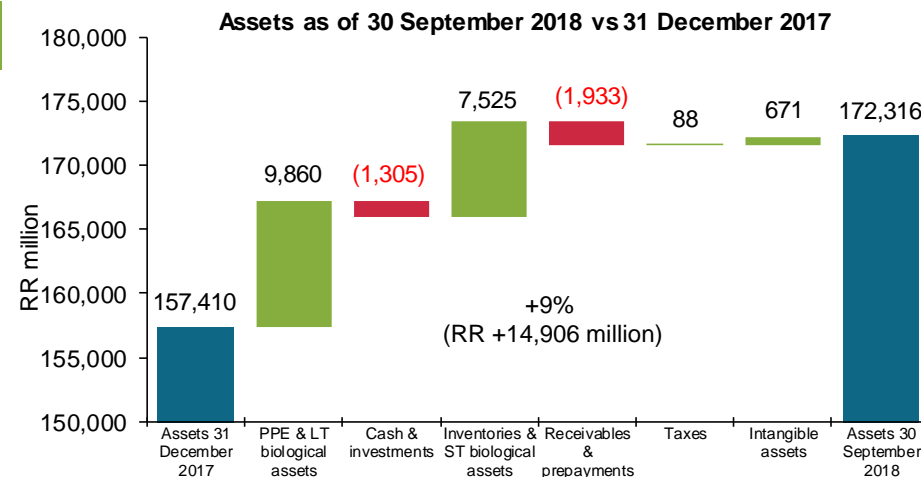
### LIABILITIES & EQUITY

- Equity (excl. RE) is lower by RR 44 million as the result of other operations with NCI.
- Borrowings increased by RR 4,771 million incl. RR -863 million of ST borrowings and RR +5,634 million of LT borrowings.
- Payables increased by RR 4,913 million (RR +1,577 million in Sugar, RR +1,221 million in Agriculture, RR +474 million in Oil, RR +392 million in Meat and RR +1,251 million in Other). An increase in payables in Sugar division related mainly to advance payments received for sugar sales from customers. Higher payables in Agricultural division covered purchases of PPE, fertilizers, crop protection agents and further materials..
- Taxes\*\*\* decreased by RR 135 million as a result of a decrease in other taxes payable by RR 361 million (mainly lower VAT payable by RR 491 million, higher SHI payable by RR 73 million, and higher land and property tax payable by RR 36), an increase in CIT by RR 11 million and an increase in deferred tax liability by RR 214 million.

\* include PPE, Inventories intended for construction, Advances paid for non-current assets and LT biological assets

\*\* include Cash and cash equivalents, ST and LT Restricted cash, ST and LT investments, LT receivables, investments in associates

\*\*\* include Current income tax, Deferred income tax and Other taxes



# Cash Flows: Actual 9M 2018 vs Actual 9M 2017

## Comments

In 9M 2018 cash and cash equivalents decreased by RR -15,430 million from RR 22,658 million to RR 7,229 million.

Main variances in cash flow statement line items between 9M 2018 and 9M 2017:

Net cash from operating activities:

- RR -5,906 million of a decrease in operating cash flow before working capital changes mainly due to an increase in profit before income tax that was partly offset by decrease in non-cash and non-operating adjustments;
- RR -5,669 million change in inventories and biological assets mainly due to higher decrease in inventories of Sugar in 9M 2018;
- RR -1,287 million change in other taxes receivable, due to a significant amount of VAT refund received from the budget in 6M 2018 (in Meat, Sugar and Oil).

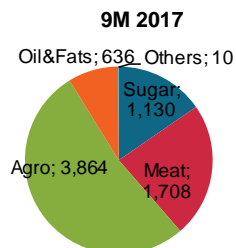
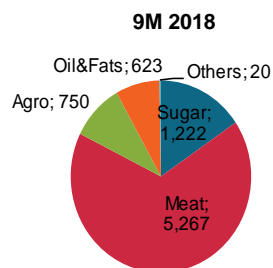
Net cash from investing activities:

- RR -1,629 million change in Purchases of PPE.

Net cash from financing activities:

- RR +748 million net changes in borrowings due to higher repayment of borrowings in 9M 2018;
- RR -7,706 million net change in investment in financial asset mainly due to change in cash on bank deposits
- RR -2,661 million decrease in amount of dividends paid to owners.

CAPEX\* 9M 2018 vs 9M 2017, RR million



## Cash Flows according to Management view (Not IFRS presentation)\* RR million

	Actual 9M 2018	Actual 9M 2017	Variances	
			Units	%
<b>Cash flows from operating activities</b>				
<b>Profit / (loss) before income tax</b>	9,074	3,067	6,006	196
<i>Adjustments for non-cash and non-operating (income)/expenses, net</i>	271	6,570	(6,299)	(96)
<b>Operating cash flow before working capital changes</b>	<b>9,393</b>	<b>9,638</b>	<b>(245)</b>	<b>(3)</b>
Change in trade and other receivables and prepayments	2,090	969	1,121	116
*Change in operating activity not included in Net debt	(1,494)	-	(1,494)	-
Change in other taxes receivable	329	1,616	(1,287)	(80)
Change in inventories and biological assets	(2,437)	3,231	(5,669)	-
Change in trade and other payables	4,224	2,550	1,673	66
Change in other taxes payable	7	(135)	141	-
<b>Cash generated from operations</b>	<b>13,606</b>	<b>17,870</b>	<b>(4,265)</b>	<b>(24)</b>
Income tax paid	(611)	(359)	(253)	(70)
<b>Net cash from operating activities</b>	<b>12,994</b>	<b>17,512</b>	<b>(4,517)</b>	<b>(26)</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment and inventories intended for construction	(12,097)	(11,512)	(585)	(5)
Investments in subsidiaries, net of cash acquired	(2,098.2)	79	(2,178)	-
Movement in restricted cash	1	(1)	2	-
Purchases of other intangible assets	(265)	(237)	(27)	(12)
Other investing activities	58	43	15	34
<b>Net cash from investing activities</b>	<b>(14,402)</b>	<b>(11,629)</b>	<b>(2,773)</b>	<b>(24)</b>
<b>Cash flows from financing activities</b>				
Net cash flows on borrowings, incl. interest paid	(707)	41	(748)	-
Net cash flows on financial assets related to financial activities, incl. interest received*	7,096	14,802	(7,706)	(52)
*Non-cash adjustments affecting Net Debt	(5,602)	-	(5,602)	-
Proceeds from government grants	733	1,599	(866)	(54)
Purchases of non-controlling interest	(59)	(81)	22	27
Dividends paid to owners Ros Agro PLC	(3,486)	(6,146)	2,661	-
Other financial activities	-	(5)	5	-
Proceeds from sales of treasury shares	-	7	(7)	-
Lease payments	9	-	9	2
<b>Net cash from financing activities</b>	<b>3,586</b>	<b>10,216</b>	<b>(6,631)</b>	<b>(65)</b>
Net effect of exchange rate changes on cash and cash equivalents	143	(192)	335	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>2,368</b>	<b>15,907</b>	<b>(13,538)</b>	<b>(85)</b>
<b>*Net increase/ (decrease) in cash and cash equivalents according to management view</b>	<b>(7,970)</b>	<b>15,907</b>	<b>(23,877)</b>	-
Cash and cash equivalents at the beginning of the period	4,860	6,752	(1,891)	(28)
<b>Cash and cash equivalents at the end of the period</b>	<b>7,229</b>	<b>22,658</b>	<b>(15,430)</b>	<b>(68)</b>

(\*) CAPEX figures include cash outflows for purchases of property, plant and equipment and inventories intended for construction (excl. intersegment purchases).

(\*) For the purpose of conformity with the methodology of the Group's net debt calculation, cash flows on financial assets related to financial activities (bank deposits, bonds, promissory notes, loans given) are reclassified to Cash flows from financing activities in the Group's management accounts.

## Section 2

### Business Overview by division (IFRS)

9M 2018 and Q3 2018 vs 9M 2017 and Q3 2017



### Comments

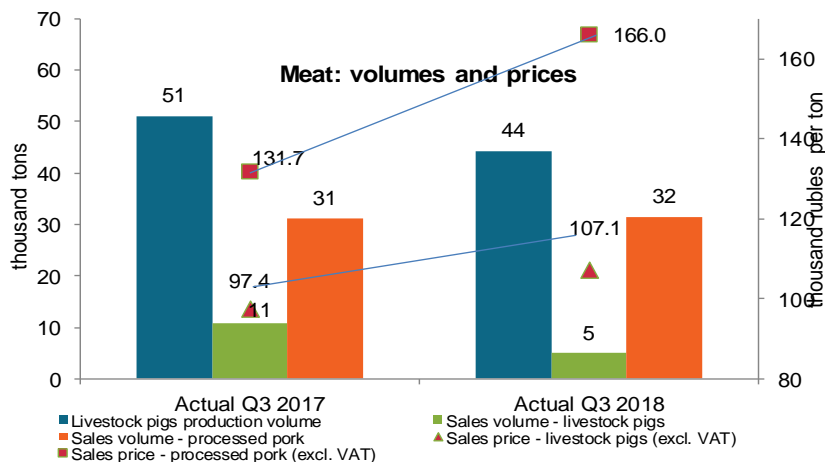
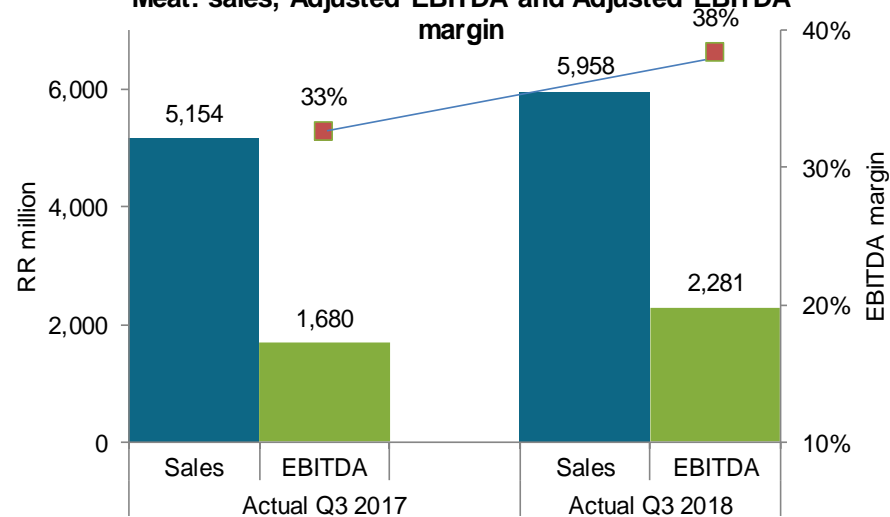
Sales (RR +804 million, +16% :

- a decrease in sales volume of livestock pigs by 6 ths tn or 55% that was partly compensated by an increase in sales volume of processed pork by 1 ths tn or 3%.
- an increase in sales prices of livestock pigs by 10% and increase in sales price of processed pork by 26%.

Adjusted EBITDA (RR +601 million, +36%):

- RR -371 million of a decrease of volume of livestock pigs;
- RR +384 million of a decrease in cost of livestock production, mainly due to feed cost.
- RR -127 million of decrease of livestock production due to the decline in the health status of the animals (reduction of resistance due to low gain), the outbreak of ASF (African swine fever).
- Sales prices for processed pork increase from 131.7 ths/tn in Q3 2017 to 166.0 ths/tn in Q3 2018 due to the market fluctuations.
- From March 2018, Rusagro abandoned the tolling scheme for the implementation of culling, and now substandard pigs sold as live pigs (higher profitability, lower risks of theft). If earlier the share of commercial livestock in the implementation of live weight was 97-99%, but for the Q3 2018 - 33% (for 9 months - 54%).

**Meat: sales, Adjusted EBITDA and Adjusted EBITDA margin**



### Comments

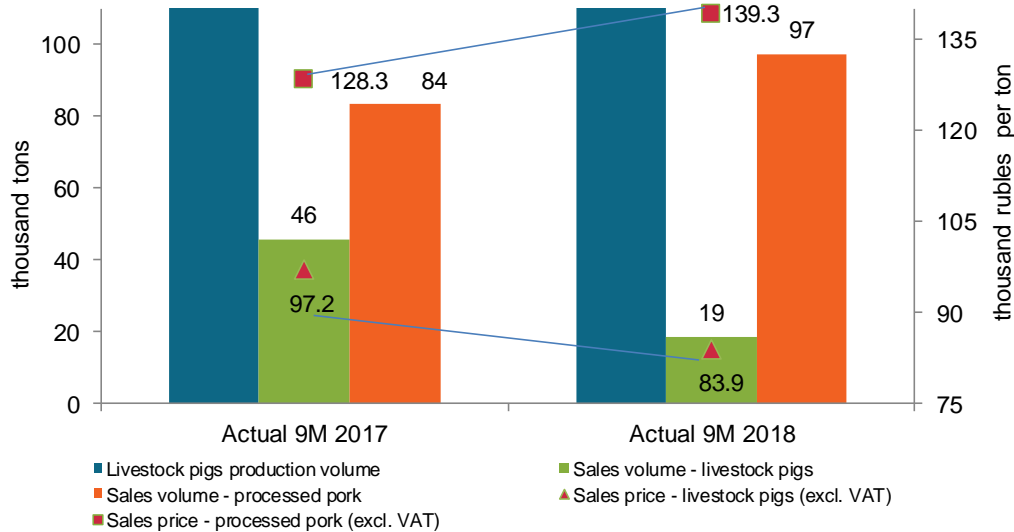
Sales (RR+184 million, +1%):

- a decrease in sales volume of livestock pigs by 27 ths tn or 59 %, that was partly compensated by an increase in sales volume of processed pork by 13 ths tn or 15% and a decrease in sales prices of livestock pigs by 14% without changes in sales price of processed pork.

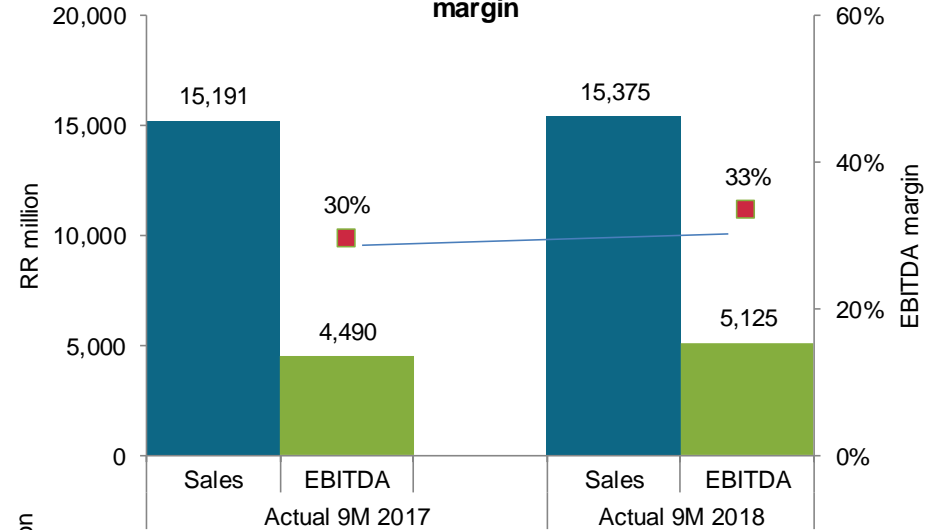
Adjusted EBITDA (RR +635 million, +14%):

- RR -1,066 million of a decrease in sale price of livestock pigs;
- RR -254 million of decrease of livestock production due to the decline in the health status of the animals (reduction of resistance due to low gain), the outbreak of ASF (African swine fever).
- RR +662 million of a decrease in cost of livestock production, mainly due to feed cost;

### Meat: volumes and prices



### Meat: sales, Adjusted EBITDA and Adjusted EBITDA margin



### Comments

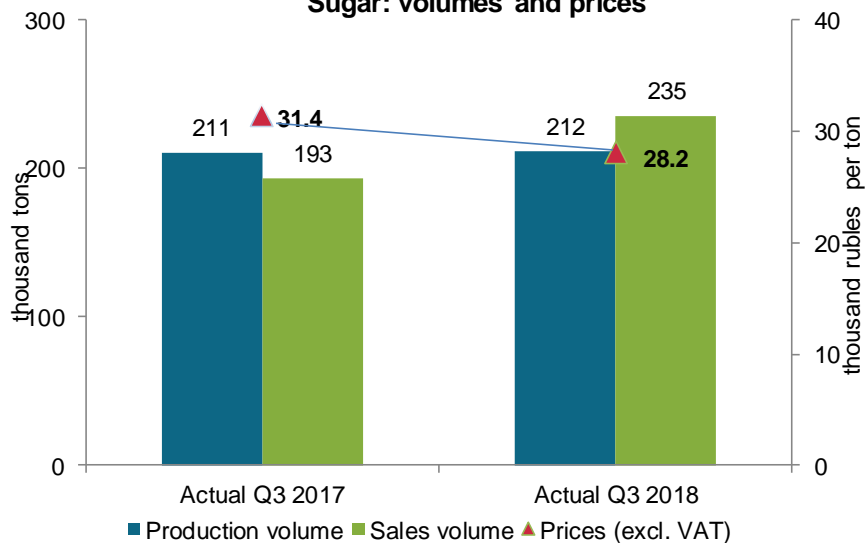
Sales increased (RR +672 million, +11%):

- Sugar sales revenue increased by RR 667 million as sales volume of sugar increased by 22% despite the fact that sales price decreased by 10% (3Q 2018: 235 ths tn, 3Q 2017: 193 ths tn);

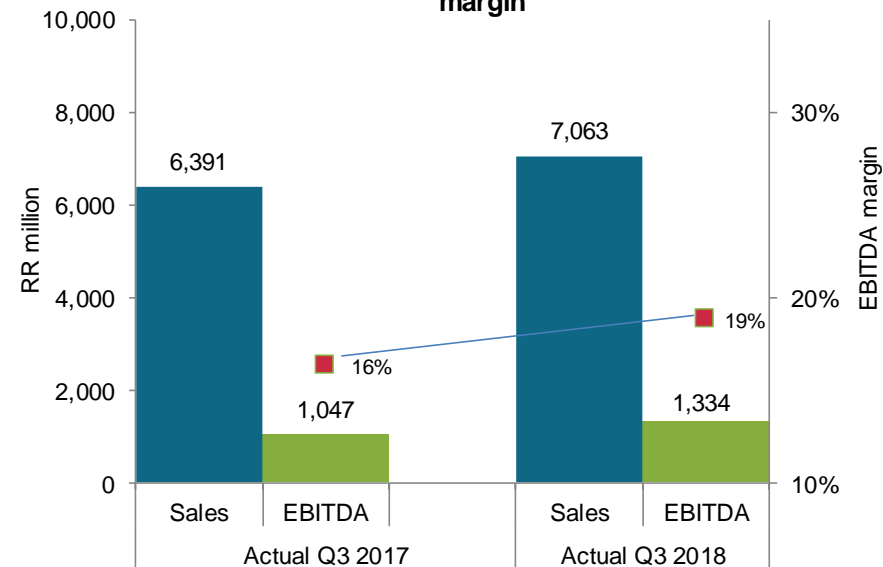
Adjusted EBITDA increased (RR +287 million, +27%):

- RR -465 million (excl. depreciation) of a increase in COGS due to sugar beet purchase prices of harvest 2018 increased by 10%;
- RR +80 million of a decrease in D&S expenses mainly due to payroll drop (RR -45 million).

### Sugar: volumes and prices



### Sugar: sales, Adjusted EBITDA and Adjusted EBITDA margin



### Sugar: production volume

Item	Production volumes, in thousand tons			
	Actual Q3 2018	Actual Q3 2017	Variances	
			Units	%
<b>Total production</b>	<b>212</b>	<b>211</b>	<b>1</b>	<b>0</b>
Beet sugar	212	211	1	0

### Comments

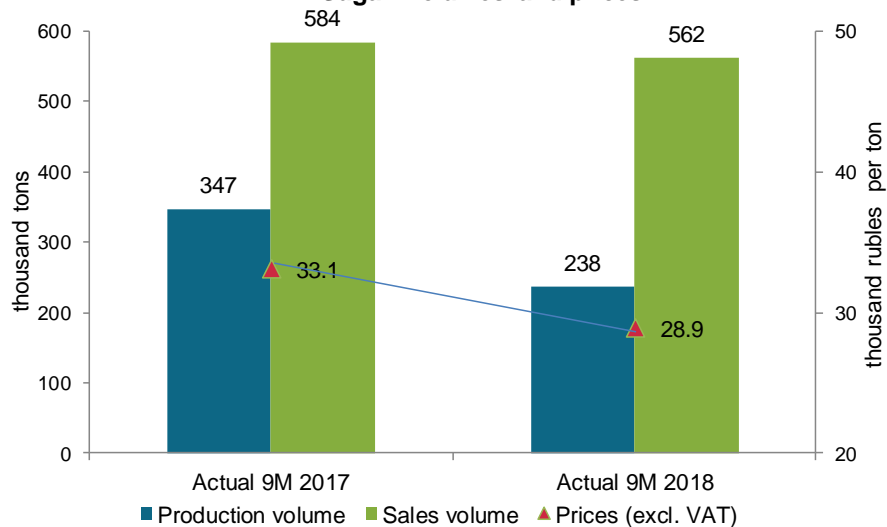
Sales decreased (RR -3,259 million, -16%):

- Sugar sales revenue decreased by RR 2,962 million due to sales price decreased by 13% and sales volume decreased by 4%;
- Cereal products sales revenue decreased by RR 356 million due to buckwheat sales prices decreased by 55%.

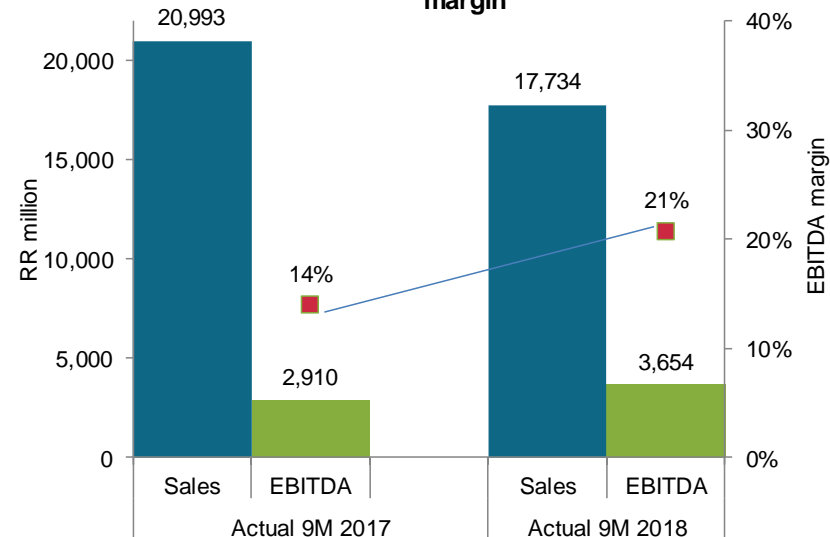
Adjusted EBITDA increased (RR 744 million, 26%):

- RR +3,418 million (excl. depreciation) of a decrease in COGS due to sugar beet purchase prices of harvest 2017 decreased by 25%;
- RR +264 million of a decrease in D&S expenses mainly due to the drop of payroll (RR -117 million), provision for impairment of receivables (RR -45 million), fuel and energy (RR -33 million).

### Sugar: volumes and prices



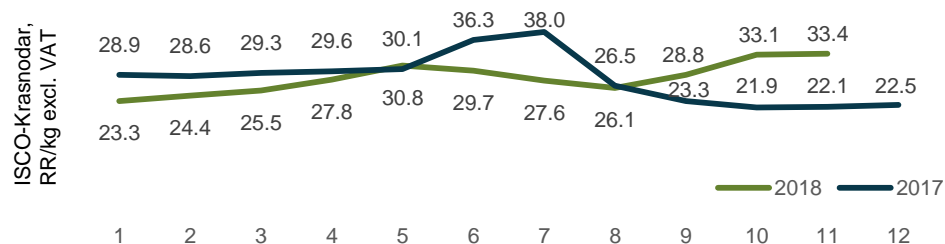
### Sugar: sales, Adjusted EBITDA and Adjusted EBITDA margin



### Sugar: production volume

Item	Production volumes, in thousand tons			
	Actual 9M 2018	Actual 9M 2017	Variances	
			Units	%
<b>Total production</b>	<b>238</b>	<b>347</b>	<b>(110)</b>	<b>(32)</b>
Beet sugar	238	347	(110)	(32)

### Sugar market price



### Comments

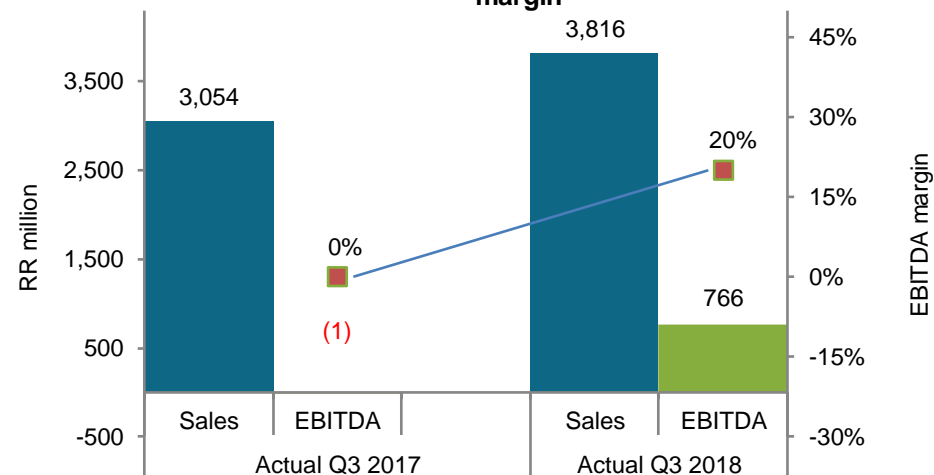
Sales (RR +762 million, +25%):

- Sales increased thanks to rise in sales price of all crops in Q3 2018 vs 2017.

Adjusted EBITDA (RR +767 million):

- RR +1,077 million of an increase in gross profit (excl. effect of biological assets and agricultural produce revaluation and depreciation) as a result of higher sales prices of all crops;
- RR -310 million of an increase in distribution and selling expenses (excl. depreciation) due to the increase of sales volume;
- RR -15 million of an increase in general and administrative expenses (excl. depreciation).
- RR +15 million of an increase in government grants for compensation of operating costs (RR 17 million in Q3 2018 vs RR 2 million in Q3 2017).

**Agriculture: sales, Adjusted EBITDA and Adjusted EBITDA margin**



### Agriculture: sales volumes and prices

Item	Sales volume, thousand tons				Average price (excl. VAT), ths rur/tn			
	Actual Q3 2018	Actual Q3 2017	Variances		Actual Q3 2018	Actual Q3 2017	Variances	
			Units	%			Units	%
sugar beet	978	1,033	(55)	(5)	2.3	1.8	0.5	28
wheat	75	124	(49)	(40)	9.8	5.4	4.4	81
barley	36	55	(19)	(35)	13.1	6.1	7.0	115
sunflower	1	0	1	734	14.0	9.6	4.3	45
corn	3	3	0	13	10.7	5.3	5.5	105
soybean	3	5	(1)	(30)	31.1	20.5	10.6	52
other	28	3	25	986	7.9	6.7	1.2	19



### Comments

Sales (RR -1,032 million, -13%):

- the major positive factors are a significant increase in sales volume of barley and higher sales prices of all crops in 9M 2018 vs 2017;
- the major negative factors include a decrease in sales volume of almost all crops in 9M 2018 vs 2017.

Adjusted EBITDA (RR +926 million, +1,684%):

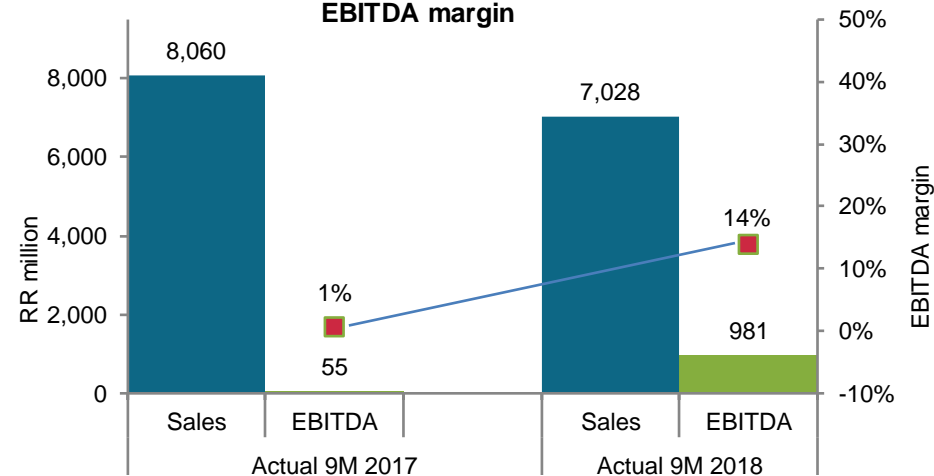
- RR +683 million of an increase in gross profit (excl. effect of biological assets and agricultural produce revaluation and depreciation) as a result of an increase in crops sales prices;
- RR +368 million of a decrease in distribution and selling expenses (excl. depreciation) due to the sales volume;
- RR -161 million of an increase in general and administrative expenses (excl. depreciation).
- RR +36 million of an increase in government grants for compensation of operating costs (RR 77 million in 9M 2018 vs RR 42 million in 9M 2017).

As at 30 September 2018 the Group's area of controlled land stands at 686 ths ha (30 September 2017: 665 ths ha), including 581 ths ha of cultivated land (30 September 2017: 564 ths ha).

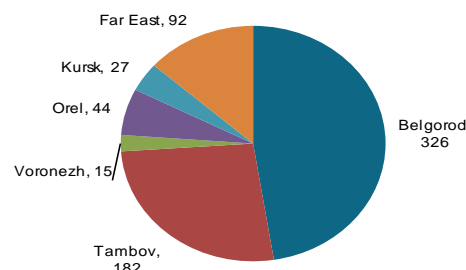
### Agriculture: sales volumes and prices

Item	Sales volume, thousand tons				Average price (excl. VAT), ths rur/tn			
	Actual 9M 2018	Actual 9M 2017	Variances		Actual 9M 2018	Actual 9M 2017	Variances	
			Units	%			Units	%
sugar beet	980	1,486	(506)	(34)	2.2	1.9	0.4	20
wheat	188	308	(120)	(39)	8.2	6.5	1.7	27
barley	115	80	35	44	9.1	6.3	2.8	44
sunflower	4	49	(45)	(92)	17.4	15.6	1.7	11
corn	80	74	5	7	9.5	8.6	1.0	11
soybean	34	50	(16)	(33)	22.4	19.6	2.7	14
other	34	6	28	464	7.5	4.7	2.7	58

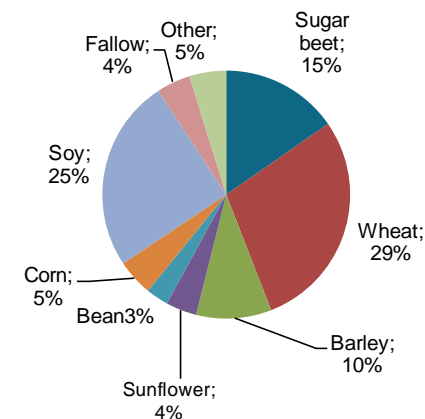
### Agriculture: sales, Adjusted EBITDA and Adjusted EBITDA margin



### Total land resources by region as of 30 September 2018, ths ha



### Arable land structure - harvest of 2018



### Comments

Sales (RR +42 million, +6%: EZHK RR +1,119 million, +59%; SAPP RR +78 million, +3%; Far East RR -129 million, -22% and Eliminations RR -1,025 million).

- Sales increased mainly as a result of higher volume of bottled oil sold (due to start production of bottled oil on SAPP plant) and increase in sales prices of bulk oil, meal and margin which was partly offset by a decrease in sales volume of mayonnaise, margarine and bulk oil.

Adjusted EBITDA (RR +391 million, +133%), including:

EZHK (RR -21 million, -8%):

- RR +5 million of an increase in gross profit (excl. depreciation);
- RR -1 million of an increase in distribution and selling expenses (excl. depreciation);
- RR -25 million of an increase in general and administrative expenses (excl. depreciation).

SAPP (RR +337 million, +802%):

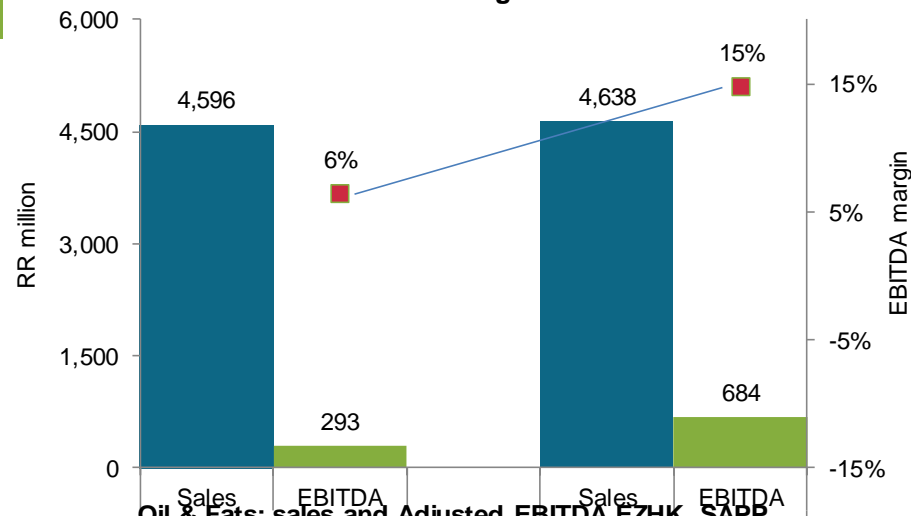
- RR +330 million of an increase in gross profit (excl. depreciation) due to an increase in sales volume of bottled oil, increase in sales prices of bulk oil and meal, and decrease in cost of sunflower seeds per unit by 13%, that was partly offset by decrease in sales volume of bulk oil.

Far East (RR +86 million):

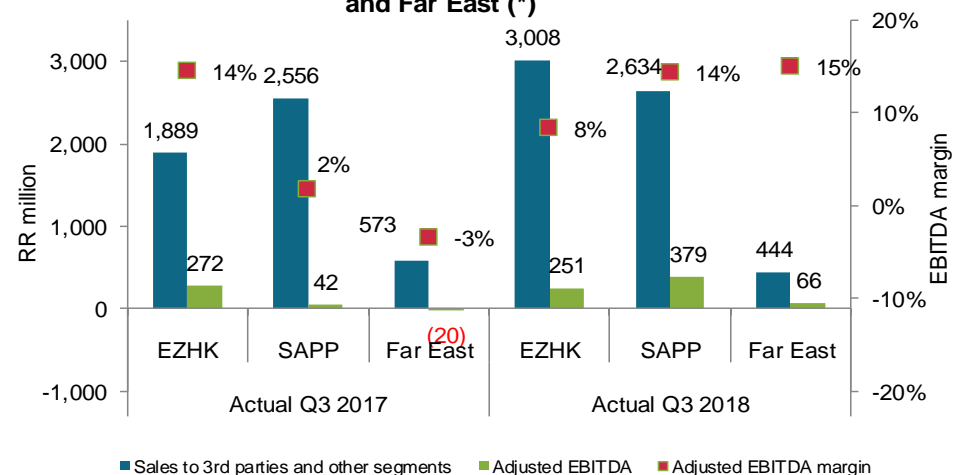
- RR +85 million of an increase in gross profit (excl. depreciation) due to an increase in sales volume of bottled oil and meal;
- RR +1 million of a decrease in distribution and selling expenses (excl. depreciation).

Eliminations RR -571 million.

### Oil & Fats: sales, Adjusted EBITDA and Adjusted EBITDA margin



### Oil & Fats: sales and Adjusted EBITDA EZHK, SAPP and Far East (\*)



### Comments

Sales (RR +450 million, +3%; EZHK RR +996 million, +17%; SAPP RR +378 million, +5%; Far East RR +153 million, +6% and Eliminations RR -1,077 million).

- Sales increased mainly as a result of higher volume of bottled oil sold (due to start production of bottled oil on SAPP plant) and an increase in sale prices of meal which was partly offset by a decrease in sales volume of all products (excl. bottled oil) and decrease in a sales prices of bottled oil.

Adjusted EBITDA (RR +1,718 million, +3,653%), including:

EZHK (RR +393 million, +188%):

- RR +77 million of an increase in gross profit (excl. depreciation);
- RR +347 million of a decrease in distribution and selling expenses (excl. depreciation);
- RR -31 million of an increase in general and administrative expenses (excl. depreciation).

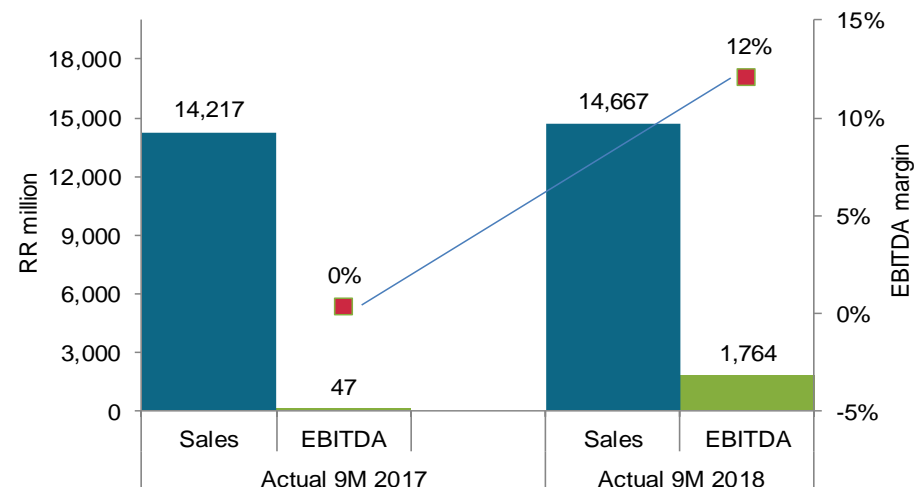
SAPP (RR +393 million):

- RR +390 million of an increase in gross profit (excl. depreciation) due to an increase in sales volume of bottled oil, and decrease in cost of sunflower seeds per unit by 8%, that was partly offset by decrease in sale volume of meal.

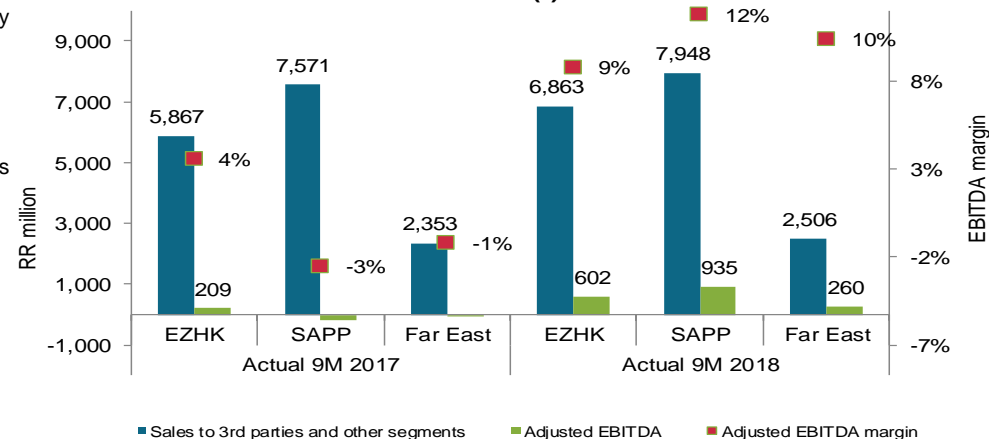
Far East (RR +287 million):

- RR +249 million of an increase in gross profit (excl. depreciation) due to an increase in sales volume of meal;
- RR +38 million of a decrease in distribution and selling expenses (excl. depreciation).

### Oil & Fats: sales, Adjusted EBITDA and Adjusted EBITDA margin



### Oil & Fats: sales and Adjusted EBITDA EZHK, SAPP and Far East (\*)



## **Section 3**

Additional information



# Adjusted EBITDA 9M 2018 (IFRS) Breakdown by divisions

## ROS AGRO PLC



9M 2018	Sugar	Meat	Agriculture	Oil and Fat	Other	Elimination	Total
Sales	17,734	15,375	7,028	14,667	825	(3,436)	52,192
Net gain / (loss) on revaluation of biological assets and agricultural produce	-	(53)	4,236	-	-	(2)	4,181
Cost of sales	(12,956)	(10,713)	(4,568)	(11,147)	(686)	2,652	(37,419)
<i>incl. Depreciation</i>	(1,547)	(1,578)	(507)	(264)	(2)	(9)	(3,908)
Net gain/ (loss) from trading derivatives	6	-	-	-	-	-	6
<b>Gross profit / (loss)</b>	<b>4,784</b>	<b>4,609</b>	<b>6,696</b>	<b>3,520</b>	<b>139</b>	<b>(787)</b>	<b>18,961</b>
General and administrative expenses, Distribution and selling expenses	(2,741)	(1,173)	(2,199)	(2,190)	(881)	167	(9,017)
General and administrative expenses	(1,204)	(697)	(918)	(606)	(800)	164	(4,061)
Distribution and selling expenses	(1,538)	(476)	(1,281)	(1,584)	(81)	4	(4,956)
<i>incl. Depreciation</i>	(65)	(35)	(136)	(98)	(18)	9	(343)
Dep in General and administrative expenses	(60)	(34)	(107)	(46)	(18)	-	(266)
Dep in Distribution and selling expenses	(5)	(1)	(29)	(52)	-	9	(78)
Other operating (expenses)/ income, net	3,378	155	(8)	49	13,967	(19,317)	(1,776)
<i>incl. Reimbursement of operating costs (government grants)</i>	-	22	77	72	-	-	171
<b>Operating profit / (loss)</b>	<b>5,421</b>	<b>3,591</b>	<b>4,489</b>	<b>1,379</b>	<b>13,225</b>	<b>(19,937)</b>	<b>8,168</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	1,612	1,614	643	363	20	-	4,251
Other operating income, net	(3,378)	(155)	8	(49)	(13,967)	19,317	1,776
Reimbursement of operating costs (government grants)	-	22	77	72	-	-	171
Net gain / (loss) on revaluation of biological assets and agricultural produce	-	53	(4,236)	-	-	2	(4,181)
<b>Adjusted EBITDA</b>	<b>3,654</b>	<b>5,125</b>	<b>981</b>	<b>1,764</b>	<b>(722)</b>	<b>(617)</b>	<b>10,185</b>

# Adjusted EBITDA 9M 2017 (IFRS) Breakdown by divisions

## ROS AGRO PLC



9M 2017	Sugar	Meat	Agriculture	Oil and Fat	Other	Elimination	Total
Sales	14,601	10,037	5,006	9,621	31	(1,540)	37,758
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(411)	(1,493)	-	-	(1,489)	(3,393)
Cost of sales	(11,612)	(7,775)	(3,681)	(8,358)	-	2,491	(28,934)
<i>incl. Depreciation</i>	(877)	(941)	(400)	(184)	-	(5)	(2,408)
Net gain/ (loss) from trading derivatives	(3)	-	-	-	-	-	(3)
<b>Gross profit / (loss)</b>	<b>2,987</b>	<b>1,851</b>	<b>(168)</b>	<b>1,263</b>	<b>31</b>	<b>(537)</b>	<b>5,428</b>
General and administrative expenses, Distribution and selling expenses	(2,057)	(441)	(1,765)	(1,752)	(492)	438	(6,070)
General and administrative expenses	(744)	(257)	(445)	(363)	(492)	77	(2,224)
Distribution and selling expenses	(1,313)	(184)	(1,321)	(1,389)	-	360	(3,846)
<i>incl. Depreciation</i>	(55)	(25)	(56)	(59)	(25)	3	(217)
Dep in General and administrative expenses	(13)	(24)	(44)	(22)	(25)	(2)	(131)
Dep in Distribution and selling expenses	(42)	(1)	(12)	(36)	-	5	(86)
Other operating (expenses)/ income, net	(52)	154	64	115	6,072	(6,471)	(117)
<i>incl. Reimbursement of operating costs (government grants)</i>	-	23	40	-	-	-	63
<b>Operating profit / (loss)</b>	<b>879</b>	<b>1,564</b>	<b>(1,868)</b>	<b>(374)</b>	<b>5,611</b>	<b>(6,571)</b>	<b>(759)</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	933	966	456	243	25	2	2,625
Other operating income, net	52	(154)	(64)	(115)	(6,072)	6,471	117
Reimbursement of operating costs (government grants)	-	23	40	-	-	-	63
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	411	1,493	-	-	1,489	3,393
<b>Adjusted EBITDA</b>	<b>1,863</b>	<b>2,810</b>	<b>56</b>	<b>(246)</b>	<b>(436)</b>	<b>1,391</b>	<b>5,439</b>

# Statement of cash flows according to Management view (Not IFRS presentation) ROS AGRO PLC



	Actual 9M 2018	Actual 9M 2017	RR million	
			Variances Units	%
<b>Cash flows from operating activities</b>				
<b>Profit before income tax</b>	<b>9,074</b>	<b>3,067</b>	<b>6,006</b>	<b>196</b>
<i>Adjustments for non-cash and non-operating (income)/expenses, net:</i>				
Depreciation and amortization	5,778	5,278	500	9
Interest expense	2,395	2,383	12	1
Government grants	(1,140)	(864)	(276)	(32)
Interest income	(2,708)	(3,198)	490	15
Loss/ (gain) on disposal of property, plant and equipment	23	98	(75)	(76)
Net (gain) / loss on revaluation of biological assets and agricultural produce	(4,181)	2,555	(6,736)	-
Change in provision for net realisable value of inventory	(23)	(42)	19	45
Share of results of associates	-	-	-	-
Change in provision for impairment of receivables and prepayments	21	64	(43)	(68)
Foreign exchange (gain) / loss, net	109	(33)	143	-
Settlement of loans and accounts receivable previously written-off	(0)	(105)	105	100
Lost / (reversal of) harvest write-off	13	58	(46)	(78)
Net (gain) / loss from bonds held for trading	29	(9)	38	-
Change in provision for impairment of advances paid for property, plant and equipment	(39)	(4)	(35)	(1,004)
Loss on other investments	0	400	(400)	(100)
Other non-cash and non-operating expenses, net	(6)	(12)	6	48
<b>Operating cash flow before working capital changes</b>	<b>9,393</b>	<b>9,638</b>	<b>(245)</b>	<b>(3)</b>
Change in trade and other receivables and prepayments	2,090	969	1,121	116
Change in other taxes receivable	329	1,616	(1,287)	(80)
Change in inventories and biological assets	(2,437)	3,231	(5,669)	-
Change in trade and other payables	4,224	2,550	1,673	66
Change in other taxes payable	7	(135)	141	-
<b>Cash generated from operations</b>	<b>13,606</b>	<b>17,870</b>	<b>(4,265)</b>	<b>(24)</b>
Income tax paid	(611)	(359)	(253)	(70)
<b>Net cash from operating activities</b>	<b>12,994</b>	<b>17,512</b>	<b>(4,517)</b>	<b>(26)</b>

# Statement of cash flows according to Management view (Not IFRS presentation) – continuance ROS AGRO PLC



(\*) Including in net cash flows on financial assets

	Actual 9M 2018	Actual 9M 2017	Variances	
			Units	%
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(10,993)	(11,114)	121	1
Purchases of other intangible assets	(265)	(237)	(27)	(12)
Proceeds from sales of property, plant and equipment	58	23	34	146
Purchases of inventories intended for construction	(1,105)	(399)	(706)	(177)
Investments in subsidiaries, net of cash acquired	(2,098.2)	79	(2,178)	-
Movement in restricted cash	1	(1)	2	-
<b>Net cash from investing activities</b>	<b>(14,402)</b>	<b>(11,629)</b>	<b>(2,773)</b>	<b>(24)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	8,932	17,374	(8,442)	(49)
Repayment of borrowings	(7,227)	(15,242)	8,015	53
Interest paid	(2,412)	(2,091)	(322)	(15)
Dividends paid to owners Ros Agro PLC	(3,486)	(6,146)	2,661	-
Change in cash on bank deposits*	6,159	11,396	(5,237)	(46)
Loans given*	(1,498)	(0.01)	(1,498)	n/a
Loans repaid*	4	413	(409)	(99)
Interest received*	2,430	2,993	(562)	(19)
Purchases of non-controlling interest	(59)	(81)	22	27
Proceeds from sales of treasury shares	-	7	(7)	-
Proceeds from government grants	733	1,599	(865)	(54)
Lease payments	9	-	9	-
Other financial activities	-	(5)	5	-
<b>Net cash from financing activities</b>	<b>3,586</b>	<b>10,216</b>	<b>(6,631)</b>	<b>(65)</b>
Net effect of exchange rate changes on cash and cash equivalents	143	(192)	335	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>2,368</b>	<b>15,907</b>	<b>(13,538)</b>	<b>(85)</b>
Cash and cash equivalents at the beginning of the period	4,860	6,752	(1,891)	(28)
<b>Cash and cash equivalents at the end of the period</b>	<b>7,229</b>	<b>22,658</b>	<b>(15,430)</b>	<b>(68)</b>



# Statement of financial position (IFRS)

## ROS AGRO PLC



	30 September 2018	31 December 2017	RR million	
			Units	%
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	7,229	4,860	2,368	49
Restricted cash	0.05	0.04	0	12
Short-term investments	14,284	18,458	(4,173)	(23)
Trade and other receivables	1,305	3,196	(1,891)	(59)
Prepayments	1,159	1,201	(42)	(4)
Current income tax receivable	339	212	127	60
Other taxes receivable	3,041	3,353	(312)	(9)
Inventories and short-term biological assets	37,200	29,676	7,525	25
<b>Total current assets</b>	<b>64,557</b>	<b>60,956</b>	<b>3,601</b>	<b>6</b>
<b>Non-current assets</b>				
Property, plant and equipment	66,026	56,390	9,636	17
Inventories intended for construction	2,613	795	1,817	228
Goodwill	2,505	1,826	679	37
Advances paid for property, plant and equipment	11,593	13,842	(2,249)	(16)
Long-term biological assets	2,376	1,720	656	38
Long-term investments and receivables	18,094	17,594	500	3
Investments in associates	7	7	-	-
Deferred income tax assets	2,266	1,993	273	14
Other intangible assets	2,279	2,286	(7)	(0)
<b>Total non-current assets</b>	<b>107,759</b>	<b>96,454</b>	<b>11,305</b>	<b>12</b>
<b>Total assets</b>	<b>172,316</b>	<b>157,410</b>	<b>14,906</b>	<b>9</b>

# Statement of financial position (IFRS) - continuance

## ROS AGRO PLC



	30 September 2018	31 December 2017	RR million	
			Units	%
<b>Liabilities and EQUITY</b>				
<b>Current liabilities</b>				
Short-term borrowings	8,000	8,864	(863)	(10)
Trade and other payables	11,687	6,773	4,914	73
Current income tax payable	75	64	11	17
Other taxes payable	3,713	4,072	(360)	(9)
<b>Total current liabilities</b>	<b>23,474</b>	<b>19,773</b>	<b>3,702</b>	<b>19</b>
<b>Non-current liabilities</b>				
Long-term borrowings	43,422	37,788	5,634	15
Government grants	6,310	6,377	(67)	(1)
Deferred income tax liability	958	744	214	29
<b>Total non-current liabilities</b>	<b>50,689</b>	<b>44,909</b>	<b>5,780</b>	<b>13</b>
<b>Total liabilities</b>	<b>74,164</b>	<b>64,682</b>	<b>9,482</b>	<b>15</b>
<b>Equity</b>				
Share capital	12	12	-	-
Treasury shares	(492)	(492)	-	-
Additional paid-in capital	26,964	26,964	0	0
Other reserves	1,308	1,308	-	-
Retained earnings	70,227	64,759	5,468	8
<b>Equity attributable to owners of ROS AGRO PLC</b>	<b>98,020</b>	<b>92,552</b>	<b>5,468</b>	<b>6</b>
Non-controlling interest	132	176	(44)	(25)
<b>Total equity</b>	<b>98,152</b>	<b>92,728</b>	<b>5,424</b>	<b>6</b>
<b>Total liabilities and equity</b>	<b>172,316</b>	<b>157,410</b>	<b>14,906</b>	<b>9</b>