

ROS AGRO PLC financial results for 1Q 2023

22 May 2023 – Today ROS AGRO PLC (the Company), the holding company of Rusagro Group (Rusagro), a leading Russian diversified food producer with vertically integrated operations, has announced the financial results for the three months ended 31 March 2023.

1Q 2023 HIGHLIGHTS

- Sales amounted to RUB 47,395 million (US\$ 651 million¹), a decrease of RUB 14,111 million (-23%, US\$ -63 million) compared to 1Q 2022;
- Adjusted EBITDA² amounted to RUB 7,139 million (US\$ 98 million), a decrease of RUB 9,050 million (-56% , US\$ -90 million) compared to 1Q 2022;
- Adjusted EBITDA margin decreased to 15% in 1Q 2023 from 26% in 1Q 2022;
- Net profit for the period amounted to RUB 5,417 million (US\$ 74 million), an increase of RUB 3,454 million (+176% , US\$ +52 million);
- Net debt position³ as of 31 March 2023 amounted to RUB 83,585 million (US\$ 1,084 million);
- Net Debt/Adjusted EBITDA (LTM⁴) as of 31 March 2023 was 2.32x.

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

“In 1Q 2023 sales of the Group decreased in all business segments except Meat, mainly due to a decrease in sales prices triggered by a drop in world prices and USD/RUB exchange rate from a high level in 1Q 2022, as well as the postponement of sales of agricultural products due to late harvesting.

Adjusted EBITDA declined in line with revenue across all business segments due to the pressure of lower selling prices. This drop was compensated by the growth in production volumes both in Primorie after the launch of the pork production cluster, and due to the efficiency increase in the Central region.

Despite the decline in adjusted EBITDA, Rusagro showed a 176% increase in net income and a significant decrease in net debt by 16%.”

Key consolidated financial performance indicators

in RUB million	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
Sales	47,395	61,506	(14,111)	(23)
Gross profit ¹	8,630	14,995	(6,365)	(42)
<i>Gross margin, %</i>	<i>18%</i>	<i>24%</i>	<i>(6) pp</i>	
Adjusted EBITDA ¹	7,139	16,189	(9,050)	(56)
<i>Adjusted EBITDA margin, %</i>	<i>15%</i>	<i>26%</i>	<i>(11) pp</i>	
Net profit for the period ^{1,2}	5,417	1,963	3,454	176
<i>Net profit margin %</i>	<i>11%</i>	<i>3%</i>	<i>8 pp</i>	

¹ Several adjustments were made to the published key financial indicators for 1Q 2022:

- Gross profit for 1Q 2022 was increased by RUB 352 million, Net profit by RUB 282 million to reflect the distribution of depreciation expenses between the quarters of 2022 in Oil and Fat segment;
- Gross profit for 1Q 2022 was decreased by RUB 190 million to reflect the distribution of depreciation costs between lines of financial statements for Meat segment;
- Gross profit and adjusted EBITDA for 1Q 2022 were decreased by RUB 698 million, Net profit by RUB 559 million in order to reflect the distribution of costs of Far East project in Meat segment.

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

Key financial performance indicators by segments

in RUB million	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
Sales, incl.	47,395	61,506	(14,111)	(23)
<i>Sugar</i>	9,411	11,333	(1,922)	(17)
<i>Meat</i>	10,725	9,258	1,467	16
<i>Agriculture</i>	5,896	8,185	(2,289)	(28)
<i>Oil and Fat</i>	23,357	35,111	(11,754)	(33)
<i>Other</i>	464	208	256	123
<i>Eliminations</i>	(2,457)	(2,589)	132	5
Gross profit, incl.	8,630	14,995	(6,365)	(42)
<i>Sugar</i>	2,815	5,552	(2,736)	(49)
<i>Meat</i>	1,143	1,151	(8)	(1)
<i>Agriculture</i>	(774)	1,736	(2,510)	-
<i>Oil and Fat</i>	5,641	6,787	(1,146)	(17)
<i>Other</i>	167	(49)	215	-
<i>Eliminations</i>	(362)	(183)	(179)	(98)
Adjusted EBITDA, incl.	7,139	16,189	(9,050)	(56)
<i>Sugar</i>	2,010	4,679	(2,668)	(57)
<i>Meat</i>	447	589	(142)	(24)
<i>Agriculture</i>	(116)	4,173	(4,290)	-
<i>Oil and Fat</i>	4,161	5,303	(1,141)	(22)
<i>Other</i>	(297)	(6)	(291)	(5,082)
<i>Eliminations</i>	934	1,451	(517)	(36)
Adjusted EBITDA margin, %	15%	26%	<i>(11) pp</i>	
<i>Sugar</i>	21%	41%	<i>(20) pp</i>	
<i>Meat</i>	4%	6%	<i>(2) pp</i>	
<i>Agriculture</i>	(2%)	51%	<i>(53) pp</i>	
<i>Oil and Fat</i>	18%	15%	<i>3 pp</i>	

SUGAR SEGMENT

In 1Q 2023 Sugar segment earned RUB 2,010 million of adjusted EBITDA (-57% y-o-y) with 21% margin (-20 pp y-o-y). The financial results of the Sugar Segment of 1Q 2023 compared to 1Q 2022 are presented in the table below:

Sugar segment 1Q 2023 Financial Results

in RUB million	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
Sales	9,411	11,333	(1,922)	(17)
Cost of sales	(6,595)	(5,781)	(814)	(14)
Gross profit	2,815	5,552	(2,736)	(49)
<i>Gross profit margin</i>	<i>30%</i>	<i>49%</i>	<i>(19) pp</i>	
Distribution and selling expenses	(945)	(1,080)	136	13
General and administrative expenses	(394)	(408)	14	3
Other operating income/ (expenses), net	(3)	(206)	203	99
<i>incl. other adjustments to EBITDA (non-recurring items)</i>	<i>22</i>	<i>(216)</i>	<i>238</i>	<i>-</i>
Operating profit	1,473	3,857	(2,384)	(62)
Adjusted EBITDA	2,010	4,679	(2,668)	(57)
<i>Adjusted EBITDA margin</i>	<i>21%</i>	<i>41%</i>	<i>(20) pp</i>	

In 1Q 2023 compared to 1Q 2022 *Sales* of Sugar segment decreased by 17% mainly due to the decrease in sugar sales volume by 17% down to 148 thousand tons. The reduction in sales volumes is caused by the decrease in production volumes in season 2022/2023 compared to season 2021/2022 due to lower sugar content in sugar beet attributable to bad weather conditions that affected the quality of sugar beet.

Revenue from sale of beet pulp decreased by RUB 419 million on the back of lower sales prices, which was partially offset by the increase in sales volumes due to the extension of the sugar beet processing season to January and February 2023.

Revenue from sales of molasses, betaine, buckwheat and rice decreased by RUB 183 million.

Production and sales volume of sugar in 1Q 2023

	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
Sugar production volume, <i>thousand tonnes</i>	69	56	13	23
Sales volume, <i>thousand tonnes</i>	148	177	(29)	(17)

Cost of sales in 1Q 2023 increased y-o-y because of the increase in sugar beet and its processing costs per unit of sugar as the result of decrease in sugar beet quality.

Distribution and selling expenses in 1Q 2023 decreased mainly due to the decrease in sugar transportation costs as the result of lower sugar sales volumes.

Other operating expenses in 1Q 2023 decreased mainly due to the positive dynamics of operating exchange differences.

MEAT SEGMENT

In 1Q 2023 Meat segment earned RUB 447 million of adjusted EBITDA (-24% y-o-y) with 4% margin (-2 pp y-o-y). The financial results of the Meat Segment of 1Q 2023 compared to 1Q 2022 respectively are presented in the table below.

Meat segment 1Q 2023 Financial Results

in RUB million	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
Sales	10,725	9,258	1,467	16
Net gain/ (loss) on revaluation of biological assets and agricultural produce	1,327	967	360	37
Cost of sales	(10,909)	(9,075)	(1,834)	(20)
Gross profit	1,143	1,151	(8)	(1)
<i>Gross profit margin</i>	<i>11%</i>	<i>12%</i>	<i>(1) pp</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	(184)	183	(367)	-
<i>Adjusted gross profit margin</i>	<i>-2%</i>	<i>2%</i>	<i>(4) pp</i>	
Distribution and selling expenses	(315)	(430)	115	27
General and administrative expenses	(601)	(447)	(154)	(34)
Other operating income/ (expenses), net	314	147	167	114
<i>incl. Reimbursement of operating costs (government grants)</i>	19	6	14	237
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	98	89	10	11
Operating profit	541	420	121	29
Adjusted EBITDA	447	589	(142)	(24)
<i>Adjusted EBITDA margin</i>	<i>4%</i>	<i>6%</i>	<i>(2) pp</i>	

Sales of the Meat segment increased by 16% in 1Q 2023 compared to the respective period of 2022. Sales volume increase was caused mainly by the production outputs growth. Positive dynamics was achieved by gradual increase in production capacities to the planned level in the Far East and by growth in production efficiency in the Central Federal District, including the expansion of deboning capacity.

Production and sales volume of pork products in 1Q 2023

	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
Pigs production, <i>thousand tonnes in live weight</i>	89	77	11	14
Sales volume, <i>thousand tonnes</i>	72	60	11	19

Cost of sales increased by 20% in 1Q 2023 compared to the respective period of 2022. Despite the reduction of feed costs (mainly grain and protein ingredients), the growth of other components of cost of sales had a negative effect.

Net gain on revaluation of biological assets and agricultural produce in 1Q 2023 resulted from an increase in fair value for consumable livestock pigs and decrease in costs during the reporting period compared to the respective figures at the end of 2022.

General and administrative expenses increased in 1Q 2023 compared to the respective period in 2022 as a result of gradual increase in production capacities to the planned level in the Primorsky Krai.

An increase in *Other operating income* in 1Q 2023 in comparison to 1Q 2022 is mainly attributed to the increase in income from grain elevator services.

AGRICULTURE SEGMENT

As at 31 March 2022 Rusagro's area of controlled land stands at 668 thousand hectares (31 December 2022: 660 thousand hectares). In 1Q 2023 Agriculture segment earned RUB -116 million of adjusted EBITDA (RUB -4,290 million in comparison with 1Q 2022) with -2% margin (in comparison with 51% in 1Q 2022). The financial results of the Agricultural Segment of 1Q 2023 compared to 1Q 2022 respectively are presented below.

Agriculture segment 1Q 2023 Financial Results

in RUB million	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
Sales	5,896	8,185	(2,289)	(28)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	(1,415)	(2,845)	1,430	50
Cost of sales	(5,254)	(3,604)	(1,651)	(46)
Gross profit	(774)	1,736	(2,510)	-
<i>Gross profit margin</i>	<i>-13%</i>	<i>21%</i>	<i>(34) pp</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	641	4,582	(3,940)	(86)
<i>Adjusted gross profit margin</i>	<i>11%</i>	<i>56%</i>	<i>(45) pp</i>	
Distribution and selling expenses	(1,049)	(660)	(389)	(59)
General and administrative expenses	(352)	(336)	(16)	(5)
Other operating income/ (expenses), net	96	433	(337)	(78)
<i>incl. Reimbursement of operating costs (government grants)</i>	31	1	30	2,625
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	19	379	(360)	(95)
Operating profit	(2,079)	1,173	(3,252)	-
Adjusted EBITDA	(116)	4,173	(4,290)	-
<i>Adjusted EBITDA margin</i>	<i>-2%</i>	<i>51%</i>	<i>(53) pp</i>	

In 1Q 2023 in comparison to 1Q 2022 *Sales* of the Agriculture segment decreased by 28% to RUB 5,896 million mainly because of the fall in prices for all crops except corn. Lower volume of wheat, soybean and corn sold was compensated by higher sales volumes of sugar beet and sunflower.

Higher sales volume of sugar beet is associated with a shift in the schedule for harvesting and selling of sugar beets to the beginning of 2023 due to adverse weather conditions. Drop in soybean sales is caused by the postponement of harvesting to 2023 due to weather conditions and a shift in the sales schedule to the next quarters of 2023. Decline in wheat sales volume is connected with a decrease in demand on domestic market, as well as the expectation of an increase in the dollar exchange rate and a reduction in duty or a revision of the mechanism for determining it. Sales volume of corn decreased, as the entire volume of corn for the 2022/2023 season was contracted for sale in the 2nd and 3rd quarters of 2023 on more favorable terms, including for export in connection with the receipt of export quotas. Sunflower seeds were actively sold in 1Q 2023 in anticipation of lower prices.

Sales prices for wheat decreased due to the fall in global wheat prices because of high grain stocks, as well as the priority sale of feed grains in 1Q 2023. Prices decrease for sunflower and soybean is attributed to the sale of products of lower class in 1Q 2023 as well the decrease of USD/RUB exchange rate. The drop in the selling price of sugar beet is caused by the poor quality of the crop caused by weather conditions during the harvest gathering period.

Sales volumes of crops in 1Q 2023

Thousand tonnes	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
sugar beet	494	59	435	741
soybean	86	102	(16)	(15)
wheat	59	79	(20)	(26)
sunflower seeds	40	16	25	159
corn	29	101	(72)	(71)

The main reason for the increase in *Cost of sales* is growth of costs caused by macroeconomic situation during 2022.

The increase in *Distribution and selling expenses* for 1Q 2023 is caused by additional storage and processing costs due to the low quality of the harvested crops.

Net gain/(loss) on revaluation of biological assets and agricultural produce depends on revaluation amounts in opening and closing inventory balances. As agricultural produce matures and at the point of harvest, a gain on revaluation of agricultural produce to fair value less costs to sell is recognized. During subsequent sale, a loss from the revaluation of agricultural products sold in the reporting period is recognized in the amount of the previously recognized gain. Loss in the 1st quarter of the year is mainly associated with the sale of the previous year's harvest, and the amount of the loss is higher if the revaluation gain recognized in the previous period at the time of harvest was higher.

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

A decrease in *Other operating income* in 1Q 2023 in comparison to 1Q 2022 is mainly due to the one-off gain from the sale of fixed assets during 1Q 2022.

OIL AND FAT SEGMENT

In 1Q 2023 Oil and Fat segment earned RUB 4,161 million of adjusted EBITDA (-22 % y-o-y) with 18% margin (+3 pp y-o-y). The financial results of the Oil and Fat Segment for 1Q 2023 compared to 1Q 2022 respectively are presented below.

Oil and Fat segment 1Q 2023 Financial Results

in RUB million	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
Sales	23,357	35,111	(11,754)	(33)
Cost of sales	(17,716)	(28,324)	10,608	37
Gross profit	5,641	6,787	(1,146)	(17)
<i>Gross profit margin</i>	<i>24%</i>	<i>19%</i>	<i>5 pp</i>	
Distribution and selling expenses	(1,907)	(1,804)	(102)	(6)
General and administrative expenses	(820)	(683)	(138)	(20)
Other operating income/ (expenses), net	(578)	(986)	408	41
<i>incl. Reimbursement of operating costs (government grants)</i>	1	6	(4)	(74)
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	(702)	(898)	196	22
Operating profit	2,336	3,314	(979)	(30)
Adjusted EBITDA	4,161	5,303	(1,141)	(22)
<i>Adjusted EBITDA margin</i>	<i>18%</i>	<i>15%</i>	<i>3 pp</i>	

Sales of the Oil and Fat segment in 1Q 2023 in comparison to 1Q 2022 decreased by 33% as a result of the decrease in sales volumes of all product categories, as well as sales prices for oil and fat products, with the exception of mayonnaise and margarine.

Cost of sales in 1Q 2023 in comparison to 1Q 2022 decreased due to the decline in sales volumes of oil and fat and dairy products and prices for sunflower seeds. *Cost of sales* decreased more than *Sales* mainly due to the fall in the cost of sunflower seeds outpacing the decline in the selling price of sunflower oil.

The growth of *General and administrative expenses* in 1Q 2023 compared to 1Q 2022 is mainly attributable to higher costs of information and consulting services.

The decrease in *Other operating expenses* is due to lower charity expenses in 1Q 2023 compared to the same period in 2022.

Sales volumes of oil and fat and dairy products in 1Q 2023

Thousand tonnes	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
meal	133	149	(16)	(11)
crude oil	54	92	(38)	(42)
industrial fats	76	79	(3)	(4)
dry whey mixes	3	4	(1)	(30)
consumer oil&fat products	64	72	(8)	(11)
consumer dairy products	3	3	(0)	(2)

KEY CONSOLIDATED CASH FLOW INDICATORS (NOT IFRS PRESENTATION*)

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

in RUB million	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
Net cash from operating activities, incl.	16,004	(5,130)	21,134	-
<i>Operating cash flow before working capital changes</i>	6,992	16,448	(9,457)	(57)
<i>Working capital changes</i>	9,304	(21,249)	30,553	-
Net cash from investing activities, incl.	(2,289)	(2,267)	(23)	(1)
<i>Purchases of property, plant and equipment and inventories intended for construction</i>	(2,089)	(3,088)	999	32
Net cash from financing activities	(6,729)	8,925	(15,654)	-
Net effect of exchange rate changes on cash and cash equivalents	1,933	(7,960)	9,893	-
Net (decrease) / increase in cash and cash equivalents	8,919	(6,432)	15,350	-

(*) See Appendix 4

The key investments in property, plant and equipment and inventories intended for construction during 1Q 2023 were made in the Meat segment in the amount of RUB 665 million (1Q 2022: RUB 1,277 million) mainly due to the purchases related to the construction project in the Russian Far East. Investments in the Agriculture segment in the amount of RUB 769 million (1Q 2022: RUB 830 million), Oil and Fat segment in the amount of RUB 520 million (1Q 2022: RUB 815 million), and Sugar segment in the amount of RUB 135 million (1Q 2022 : RUB 166 million) mainly relate to purchases of machinery and equipment for production facilities renewal and maintenance.

Debt position and liquidity management

in RUB million	31 March	31 December	Variance	
	2023	2022	Units	%
Gross debt	210,701	233,390	(22,689)	(10)
<i>Short-term borrowings</i>	150,002	172,352	(22,350)	(13)
<i>Long-term borrowings</i>	60,699	61,038	(339)	(1)
Cash and cash equivalents, bank deposits and bonds	(127,116)	(133,668)	6,552	5
<i>Short-term cash, deposits and bonds</i>	(92,705)	(99,697)	6,992	7
<i>Long-term cash, deposits and bonds</i>	(34,411)	(33,971)	(440)	(1)
Net debt	83,585	99,723	(16,138)	(16)
<i>Short-term borrowings, net</i>	57,297	72,655	(15,358)	(21)
<i>Long-term borrowings, net</i>	26,288	27,067	(779)	(3)
Adjusted EBITDA (LTM⁴)	35,965	45,015	(9,050)	(20)
Net debt/ Adjusted EBITDA (LTM)	2.32	2.22	0.1 pp	

Net finance income / (expense):

in RUB million	Three months ended		Variance	
	31 March 2023	31 March 2022	Units	%
Net interest expense	(1,925)	(1,515)	(411)	(27)
<i>Gross interest expense</i>	(4,643)	(4,555)	(88)	(2)
<i>Reimbursement of interest expense</i>	2,718	3,040	(322)	(11)
Interest income	2,441	2,308	133	6
Other financial expenses, net	2,981	(7,885)	10,867	-
<i>Net foreign exchange gains / (losses)</i>	3,098	(7,829)	10,927	-
<i>Other financial income/ (expenses), net</i>	(117)	(57)	(60)	(107)
Total net finance income / (expense)	3,497	(7,092)	10,589	-

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

In 1Q 2023 Rusagro continued to enjoy benefits from the state agriculture subsidies programme. Rusagro continued to receive bank loans with decreased preferential interest rates under the programme of government support. Under this programme, the government provides subsidies to the banks to compensate the loss of income on borrowings with decreased interest rates, given by the banks to agricultural producers. In 1Q 2023 IFRS accounts these borrowings are accounted according to its face value with no adjustments to prevailing market rates. The differences between nominal and market interest rate is recognized as either government grants in a statement of financial position for borrowings received with the purpose to finance investment projects or interest expenses in a statement of comprehensive income for general purpose borrowings.

Net finance expense of 1Q 2022 in the sum of RUB 7,092 million changed to *net finance income* in the amount of RUB 3,497 million as the result of positive dynamics in forex differences.

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- (1) *The exchange rates used for translation of RUB amounts into USD represent average Central Bank official exchange rate for the respective reporting period for income, expenses and profits and the Central Bank official exchange rate as at the reporting date for balance figures.*
 - (2) *Adjusted EBITDA is defined as operating profit before taking into account (i) depreciation included in operating profit, (ii) net gain/ (loss) on revaluation of biological assets and agricultural produce, (iii) non-recurring components of other operating income/ (expenses), net, (iv) share-based remuneration, (v) provision for impairment of loans issued (see Appendix 2 for the detailed calculation of Adjusted EBITDA). Adjusted EBITDA is not a measure of financial performance under IFRS. It should not be considered as an alternative to profit for the period as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Our calculation of Adjusted EBITDA may be different from the calculation used by other companies and therefore comparability may be limited. We believe that Adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions of subsidiaries and other investments and our ability to incur and service debt.*
 - (3) *Rusagro determines the net debt as short-term borrowings and long-term borrowings less cash and cash equivalents, bank deposits, bank promissory notes and bonds held for trading.*
 - (4) *LTM – The abbreviation for the “Last twelve months”.*

NOTE

ROS AGRO PLC (LSE, MOEX: AGRO) – a holding company of Rusagro Group, a leading Russian diversified food producer with vertically integrated operations in the following branches:

Agricultural:

Rusagro currently controls one of the largest land banks among Russian agriculture producers, with 668 thousand hectares of land under control located in the highly fertile Black Earth region of Russia (in the Belgorod, Tambov, Voronezh, Kursk, Orel regions) and in the Far East Primorye Region. Land and production sites are strategically located within the same regions to optimize efficiency and minimize logistical costs. Rusagro is one of the major sugar beet producers in Russia, but it also produces wheat and corn, sunflower seeds and soybeans. These products are partially consumed by the Sugar, Meat and Oil and Fat segments, supporting a synergistic effect and lowering price change risk.

Oil and Fat:

Rusagro is the leading crude sunflower oil and consumer margarine producer, second largest industrial fats and mayonnaise producer in Russia with products sold under eleven key brands, such as *EZhK*, *Schedroye Leto*, *Mechta Khozyaiki*, umbrella brand *Ya Lublu Gotovit* (includes *Moskovskiy Provansal*, *Novosibirskiy Provansal* and *Saratovskiy Provansal*), *Rossiyanka* and *Saratovskiy Slivochniy*, *Benefitto*, *Maslava* and *Leto Krasno* (红色夏日), which is sold on the Chinese market. Rusagro also produces dry industrial mixes, cheeses, butter and cream sold under three brands: *Milie*, *Syrnaya Kultura* and *Ya Lublu Gotovit*. Rusagro owns four crushing and two oil & fats plants and leases two milk processing plants. Owning its sunflower and soy oil production allows Rusagro to control the source of the sunflower and soybean oil required to produce oil and fats products.

Sugar:

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

Meat:

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

CONFERENCE CALL

Rusagro management is organizing a conference call on Company's 1Q 2023 financial results for investors and analysts.

Details of the call:

Date: 22 May 2023

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

Subject: ROS AGRO PLC 1Q 2023 IFRS Financial results

Registration: available up to 3:00 PM Moscow time / 1:00 PM London time on 22 May

https://us06web.zoom.us/webinar/register/WN_EXhOe-4iQYaogvwHZY6pUw

FORWARD-LOOKING STATEMENTS

This announcement includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements do not relate to historical or current events, or to any future financial or operational activity of the Group.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond the Rusagro Group's control. As a result, actual future results may differ materially from the plans and expectations set out in these forward-looking statements.

The Group undertakes no obligation to release the results of any revisions to any forward-looking statements that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

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Appendix 1. Consolidated statement of comprehensive income for the Three months ended 31 March 2023 (in RUB thousand)

	Three months ended 31 December	
	2023	2022
Sales	47,395,456	61,506,160
Net gain / (loss) on revaluation of biological assets and agricultural produce	(546,548)	(3,097,209)
Cost of sales	(38,218,586)	(43,414,068)
Gross profit	8,630,322	14,994,883
Distribution and selling expenses	(3,580,492)	(3,629,180)
General and administrative expenses	(2,179,714)	(1,562,124)
Other operating income/(expenses), net	791,263	(617,294)
Operating profit	3,661,379	9,186,285
Interest expense	(1,925,246)	(1,514,712)
Interest income	2,441,235	2,308,391
Net gain / (loss) from bonds held for trading	-	42
Other financial income/ (expenses), net	2,981,894	(7,885,447)
Profit / (loss) before taxation	7,159,262	2,094,559
Income tax expense	(1,742,313)	(131,118)
Profit for the period	5,416,949	1,963,441
Other comprehensive income:		
Total comprehensive income/ (loss) for the period	5,416,949	1,963,441
Profit / (loss) is attributable to:		
Owners of ROS AGRO PLC	5,423,741	1,964,159
Non-controlling interest	(6,792)	(718)
Profit / (loss) for the period	5,416,949	1,963,441
Total comprehensive income/ (loss) is attributable to:		
Owners of ROS AGRO PLC	5,423,741	1,964,159
Non-controlling interest	(6,792)	(718)
Total comprehensive income/ (loss) for the period	5,416,949	1,963,441
Earnings per ordinary share for profit attributable to the equity holders of ROS AGRO PLC, basic and diluted (in RR per share)	201.58	73.00

Appendix 2. Segment information for the Three months ended 31 March 2023 and for the Three months ended 31 March 2022 (in RUB thousand)

3M2023	Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total
Sales	9,410,732	10,725,385	5,895,911	23,356,939	463,877	(2,457,388)	47,395,456
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	1,327,245	(1,415,057)	-	-	(458,736)	(546,548)
Cost of sales	(6,595,274)	(10,909,413)	(5,254,481)	(17,716,136)	(297,337)	2,554,055	(38,218,586)
<i>incl. Depreciation</i>	<i>(547,479)</i>	<i>(1,294,785)</i>	<i>(524,103)</i>	<i>(954,996)</i>	<i>(4,405)</i>	<i>(7,412)</i>	<i>(3,333,180)</i>
Gross profit / (loss)	2,815,458	1,143,217	(773,627)	5,640,803	166,540	(362,069)	8,630,322
Distribution and Selling, General and administrative expenses	(1,339,210)	(916,154)	(1,400,871)	(2,727,121)	(466,388)	1,089,538	(5,760,206)
<i>incl. Depreciation</i>	<i>(11,259)</i>	<i>(36,387)</i>	<i>(42,554)</i>	<i>(168,472)</i>	<i>(39,995)</i>	<i>7,412</i>	<i>(291,255)</i>
Other operating income/(expenses), net	(2,794)	314,170	95,860	(578,016)	951,082	10,961	791,263
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>-</i>	<i>19,453</i>	<i>31,333</i>	<i>1,441</i>	<i>-</i>	<i>-</i>	<i>52,227</i>
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	<i>21,873</i>	<i>98,353</i>	<i>19,356</i>	<i>(702,271)</i>	<i>992,587</i>	<i>263,130</i>	<i>693,028</i>
Operating profit / (loss)	1,473,454	541,233	(2,078,638)	2,335,666	651,234	738,430	3,661,379
Adjustments:							
Depreciation included in Operating Profit	558,738	1,331,172	566,657	1,123,468	44,400	-	3,624,435
Other adjustments to EBITDA (non-recurring items)	(21,873)	(98,353)	(19,356)	702,271	(992,587)	(263,130)	(693,028)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(1,327,245)	1,415,057	-	-	458,736	546,548
Adjusted EBITDA*	2,010,319	446,807	(116,280)	4,161,405	(296,953)	934,036	7,139,334
3M2022							
Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total	
Sales	11,332,860	9,258,465	8,185,373	35,110,977	207,692	(2,589,207)	61,506,160
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	967,193	(2,845,241)	-	-	(1,219,161)	(3,097,209)
Cost of sales	(5,780,940)	(9,074,483)	(3,603,789)	(28,324,252)	(256,375)	3,625,771	(43,414,068)
<i>incl. Depreciation</i>	<i>(594,907)</i>	<i>(1,192,225)</i>	<i>(467,116)</i>	<i>(957,765)</i>	<i>(2,607)</i>	<i>(713)</i>	<i>(3,215,333)</i>
Gross profit / (loss)	5,551,920	1,151,175	1,736,343	6,786,725	(48,683)	(182,597)	14,994,883
Distribution and Selling, General and administrative expenses	(1,488,735)	(877,620)	(996,267)	(2,486,756)	(11,566)	669,640	(5,191,304)
<i>incl. Depreciation</i>	<i>(10,962)</i>	<i>(32,123)</i>	<i>(66,972)</i>	<i>(132,324)</i>	<i>(7,897)</i>	<i>713</i>	<i>(249,565)</i>
Other operating income/(expenses), net	(206,119)	147,008	433,144	(985,764)	218,592	(224,155)	(617,294)
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>-</i>	<i>5,772</i>	<i>1,150</i>	<i>5,650</i>	<i>-</i>	<i>-</i>	<i>12,572</i>
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	<i>(215,804)</i>	<i>88,790</i>	<i>379,203</i>	<i>(898,432)</i>	<i>174,578</i>	<i>31,216</i>	<i>(440,449)</i>
Operating profit / (loss)	3,857,066	420,563	1,173,220	3,314,205	158,343	262,888	9,186,285
Adjustments:							
Depreciation included in Operating Profit	605,869	1,224,348	534,088	1,090,089	10,504	-	3,464,898
Other adjustments to EBITDA (non-recurring items)	215,804	(88,790)	(379,203)	898,432	(174,578)	(31,216)	440,449
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(967,193)	2,845,241	-	-	1,219,161	3,097,209
Adjusted EBITDA*	4,678,739	588,928	4,173,346	5,302,726	(5,731)	1,450,833	16,188,841

* Non-IFRS measure

Appendix 3. Consolidated statement of financial position as at 31 March 2023

(in RUB thousand)

	31 March 2023	31 December 2022
ASSETS		
Current assets		
Cash and cash equivalents	30,391,698	21,473,030
Short-term investments	64,107,093	91,382,536
Trade and other receivables	21,197,132	24,176,680
Prepayments	7,376,175	13,435,149
Current income tax receivable	666,830	832,423
Other taxes receivable	5,681,590	8,360,935
Inventories and short-term biological assets	85,869,883	78,580,317
Other current assets	4,525,567	4,126,715
Total current assets	219,815,968	242,367,785
Non-current assets		
Property, plant and equipment	121,070,108	121,165,803
Inventories intended for construction	856,905	864,550
Right-of-use assets	7,143,025	6,916,539
Goodwill	2,364,942	2,364,942
Advances paid for non-current assets	4,384,894	5,482,770
Long-term biological assets	3,066,060	3,240,959
Long-term investments and receivables	42,967,541	42,527,657
Investments in associates	488,916	455,916
Deferred income tax assets	5,382,984	5,964,527
Other intangible assets	1,376,662	1,284,263
Other non-current assets	303,156	190,978
Total non-current assets	189,405,193	190,458,904
Total assets	409,221,161	432,826,689
LIABILITIES and EQUITY		
Current liabilities		
Short-term borrowings	150,001,793	172,351,514
Lease liabilities	873,686	863,452
Trade and other payables	12,129,760	17,024,472
Provisions	161,754	137,542
Current income tax payable	496,010	76,061
Other taxes payable	5,554,367	8,149,780
Total current liabilities	169,217,370	198,602,821
Non-current liabilities		
Long-term borrowings	60,699,106	61,038,393
Government grants	11,329,912	11,153,211
Lease liabilities	5,328,924	5,086,897
Deferred income tax liability	2,567,284	2,283,752
Total non-current liabilities	79,925,226	79,562,253
Total liabilities	249,142,596	278,165,074
Equity		
Share capital	12,269	12,269
Treasury shares	(490,607)	(490,607)
Additional paid-in capital	26,964,479	26,964,479
Other reserves	1,363,177	1,363,177
Retained earnings	132,267,267	126,843,525
Equity attributable to owners of ROS AGRO PLC	160,116,585	154,692,843
Non-controlling interest	(38,020)	(31,228)
Total equity	160,078,565	154,661,615
Total liabilities and equity	409,221,161	432,826,689

Appendix 4. Consolidated statement of cash flows the Three months ended 31 March 2023 (in RUB thousand) – NOT IFRS PRESENTATION (*)

	Three months ended	
	31 March 2023	31 March 2022
Cash flows from operating activities		
Profit/(loss) before income tax	7,159,263	2,094,559
<i>Adjustments for:</i>		
Depreciation and amortization	3,624,435	3,464,898
Interest expense	4,643,175	4,554,909
Government grants	(2,922,447)	(3,230,880)
Interest income	(2,441,235)	(2,308,391)
Loss/ (gain) on disposal of property, plant and equipment	(26,635)	(438,032)
Net (gain) / loss on revaluation of biological assets and agricultural produce	546,548	3,097,209
Change in provision for impairment of loans issued	(50)	(70)
Interest expense on leases	66,329	56,386
Change in provision for net realisable value of inventory	409,161	215,607
Change in provision for impairment of receivables and prepayments	64,192	47,807
Foreign exchange (gain) / loss, net	(3,958,876)	9,152,911
Net (gain) / loss from bonds held for trading	-	(42)
Settlement of loans and accounts receivable previously written-off	(31,379)	-
Change in provision for impairment of advances paid for property, plant and equipment	37,597	(15,330)
Change in other provisions	24,212	47,998
Loss on disposal of other assets	-	3,608
Gain on SolPro loans redemption	(237,768)	(320,080)
Other non-cash and non-operating expenses, net	35,159	25,128
Operating cash flow before working capital changes	6,991,682	16,448,195
Change in trade and other receivables and prepayments	(3,504,180)	(14,124,633)
Change in other taxes receivable	2,679,345	1,420,541
Change in inventories and short-term biological assets	(7,695,258)	(5,971,171)
Change in trade and other payables	20,241,772	20,162
Change in other taxes payable	(2,417,819)	(2,593,539)
Cash generated from operations	16,295,542	(4,800,445)
Income tax paid	(291,696)	(329,946)
Net cash from operating activities	16,003,846	(5,130,391)

Appendix 4 (continued). Consolidated statement of cash flows the Three months ended 31 March 2023 (in RUB thousand) – NOT IFRS PRESENTATION (*)

	Three months ended	
	31 March 2023	31 March 2022
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,999,800)	(2,981,847)
Purchases of other intangible assets	(289,137)	(360,947)
Purchases of land lease rights	(7,743)	(8,843)
Proceeds from sales of property, plant and equipment	3,407	554,179
Purchases of inventories intended for construction	(89,445)	(106,466)
Purchases of associates	(33,000)	(31,000)
Dividends received	-	377,269
Other investing activities	126,307	291,096
Net cash from investing activities	(2,289,411)	(2,266,559)
Cash flows from financing activities		
Proceeds from borrowings	4,283,066	21,004,197
Repayment of borrowings	(27,907,485)	(14,674,650)
Interest paid	(1,273,985)	(937,229)
Change in cash on bank deposits	16,450,000	5,308,072
Proceeds from sales of bonds with maturity over three months*	-	140,783
Loans given*	(190,666)	(250,000)
Loans repaid*	3,500	(2,328,261)
Interest received*	1,883,193	1,132,611
Proceeds from government grants	47,624	32,198
Dividends paid to owners Ros Agro PLC	-	(120)
Repayment of lease liabilities - principal	(23,784)	(502,443)
Other financial activities	-	290
Net cash from financing activities	(6,728,536)	8,925,448
Net effect of exchange rate changes on cash and cash equivalents	1,932,770	(7,960,139)
Net increase/ (decrease) in cash and cash equivalents	8,918,668	(6,431,641)
Cash and cash equivalents at the beginning of the period	21,473,030	46,462,179
Cash and cash equivalents at the end of the period	30,391,698	40,030,538

(*) For the purpose of conformity with the methodology of the Group's net debt calculation investments in financial assets related to financial activities are presented in Cash flows from financing activities in the Group's management accounts.