

ROS AGRO PLC financial results for 6M and 2Q 2024

5 August 2024 – 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 second quarter and the six months ended 30 June 2024.

6M 2024 HIGHLIGHTS:

- Sales amounted to RUB 139,043 million (US\$ 1,553 million¹), an increase of RUB 32,494 million (+30%) compared to 6M 2023;
- Adjusted EBITDA² amounted to RUB 13,802 million (US\$ 152 million), a decrease of RUB 1,804 million (-12%) compared to 6M 2023;
- Adjusted EBITDA margin decreased to 10% in 6M 2024 from 15% in 6M 2023;
- Net profit for the period amounted to RUB 3,485 million (US\$ 38 million), a decrease of RUB 9,706 million (-74%) compared to 6M 2023;
- Net debt position³ as of 30 June 2024 amounted to RUB 61,623 million (US\$ 719 million);
- Net Debt/Adjusted EBITDA (LTM⁴) as of 30 June 2024 was 1.13x.

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

“In 6M 2024 Rusagro's revenue increased mainly following the growth in production of crude oil and meal in Oil and Fat business and due to consolidation of NMGK Group results starting from the second half of 2023. The dynamics of pork market prices positively impacted the revenue. The decrease in Sugar segment revenue was the result of lower sales volumes due to lower carryover stocks and reserving volumes of sugar for future deliveries under long-term and high margin contracts. The decrease in Agriculture segment revenue was due to a prolonged harvest in 2022 caused by adverse weather conditions, which shifted sales to the first half of 2023.

Oil and Fat and Meat business demonstrated cumulative increase of adjusted EBITDA by 92% following market conditions and growth in overall business efficiency. In Sugar business we saw the decrease in adjusted EBITDA in the period due to the sales of sugar produced in the winter months at a higher cost of sales (due to high sugar prices in the autumn of 2023 as per accounting policy). Agricultural business demonstrated the decrease of adjusted EBITDA following the differences of carryover stocks in 2023 due to prolonged harvesting.

Rusagro continues to demonstrate positive dynamics in net debt which decreased by 7%. The ratio of net debt to adjusted EBITDA has also improved. Net profit decrease is mainly due to the dynamics of exchange differences.”

Key consolidated financial performance indicators

in RUB million	Six months ended		Variance		Three months ended		Variance	
	30 June	30 June	Units	%	30 June	30 June	Units	%
	2024	2023			2024	2023		
Sales	139,043	106,549	32,494	30	70,734	59,154	11,580	20
Gross profit	28,752	20,948	7,804	37	14,928	12,317	2,611	21
<i>Gross margin, %</i>	<i>21%</i>	<i>20%</i>	<i>1 pp</i>		<i>21%</i>	<i>21%</i>	<i>0 pp</i>	
Adjusted EBITDA	13,802	15,606	(1,804)	(12)	6,499	8,466	(1,968)	(23)
<i>Adjusted EBITDA margin, %</i>	<i>10%</i>	<i>15%</i>	<i>(5) pp</i>		<i>9%</i>	<i>14%</i>	<i>(5) pp</i>	
Net profit for the period¹	3,485	13,191	(9,706)	(74)	1,745	7,774	(6,029)	(78)
<i>Net profit margin %</i>	<i>3%</i>	<i>12%</i>	<i>(9) pp</i>		<i>2%</i>	<i>13%</i>	<i>(11) pp</i>	

¹ 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.

Note: Since some indicators and percentages in the press release were rounded to the nearest whole number, the sum of the rounded values may not fully match the totals.

Key financial performance indicators by segments

in RUB million	Six months ended		Variance		Three months ended		Variance	
	30 June 2024	30 June 2023	Units	%	30 June 2024	30 June 2023	Units	%
Sales, incl.	139,043	106,549	32,494	30	70,734	59,154	11,580	20
<i>Sugar</i>	21,378	23,974	(2,595)	(11)	8,949	14,563	(5,613)	(39)
<i>Meat</i>	22,615	22,649	(33)	(0)	12,009	11,923	86	1
<i>Agriculture</i>	8,616	11,559	(2,943)	(25)	4,310	5,663	(1,353)	(24)
<i>Oil and Fat</i>	90,107	51,399	38,708	75	46,995	28,042	18,953	68
<i>Other</i>	1,205	1,005	201	20	701	541	160	30
<i>Eliminations</i>	(4,879)	(4,036)	(843)	(21)	(2,230)	(1,578)	(651)	(41)
Gross profit, incl.	28,752	20,948	7,804	37	14,928	12,317	2,611	21
<i>Sugar</i>	3,081	8,114	(5,033)	(62)	1,490	5,298	(3,808)	(72)
<i>Meat</i>	3,096	2,547	549	22	1,084	1,403	(319)	(23)
<i>Agriculture</i>	3,866	218	3,648	1,673	3,948	992	2,957	298
<i>Oil and Fat</i>	19,572	11,043	8,529	77	10,121	5,402	4,719	87
<i>Other</i>	146	435	(289)	(66)	86	269	(183)	(68)
<i>Eliminations</i>	(1,010)	(1,409)	399	28	(1,801)	(1,047)	(755)	(72)
Adjusted EBITDA, incl.	13,802	15,606	(1,804)	(12)	6,499	8,466	(1,968)	(23)
<i>Sugar</i>	1,126	6,714	(5,588)	(83)	342	4,704	(4,362)	(93)
<i>Meat</i>	2,565	734	1,831	250	1,412	287	1,125	392
<i>Agriculture</i>	(2,192)	1,116	(3,308)	-	(401)	1,233	(1,633)	-
<i>Oil and Fat</i>	10,719	6,192	4,528	73	5,817	2,030	3,787	186
<i>Other</i>	(1,383)	(655)	(727)	(111)	(783)	(358)	(426)	(119)
<i>Eliminations</i>	2,966	1,504	1,462	97	112	570	(458)	(80)
Adjusted EBITDA margin, %	10%	15%	(5) pp		9%	14%	(5) pp	
<i>Sugar</i>	5%	28%	(23) pp		4%	32%	(28) pp	
<i>Meat</i>	11%	3%	8 pp		12%	2%	9 pp	
<i>Agriculture</i>	(25%)	10%	(35) pp		(9%)	22%	(31) pp	
<i>Oil and Fat</i>	12%	12%	(0) pp		12%	7%	5 pp	

SUGAR SEGMENT

In 6M 2024 Sugar segment adjusted EBITDA comprised RUB 1,126 million (-83% y-o-y) with 5% margin (-23 pp y-o-y).

The financial results of the Sugar segment of 6M 2024 and 2Q 2024 compared to the respective periods of 2023 are presented in the table below:

Sugar segment 6M and 2Q 2024 Financial Results

in RUB million	Six months ended		Variance		Three months ended		Variance	
	30 June 2024	30 June 2023	Units	%	30 June 2024	30 June 2023	Units	%
Sales	21,378	23,974	(2,595)	(11)	8,949	14,563	(5,613)	(39)
Cost of sales	(18,298)	(15,860)	(2,438)	(15)	(7,459)	(9,265)	1,805	19
Gross profit	3,081	8,114	(5,033)	(62)	1,490	5,298	(3,808)	(72)
<i>Gross profit margin</i>	<i>14%</i>	<i>34%</i>	<i>(20) pp</i>		<i>17%</i>	<i>36%</i>	<i>(19) pp</i>	
Distribution and selling expenses	(2,232)	(1,876)	(356)	(19)	(1,271)	(931)	(340)	(36)
General and administrative expenses	(951)	(768)	(183)	(24)	(446)	(373)	(72)	(19)
Other operating income/ (expenses), net	(8)	221	(230)	-	39	224	(185)	(83)
<i>incl. other adjustments to EBITDA (non-recurring items)</i>	<i>(9)</i>	<i>62</i>	<i>(72)</i>	<i>-</i>	<i>(30)</i>	<i>41</i>	<i>(71)</i>	<i>-</i>
Operating profit	(111)	5,691	(5,802)	-	(188)	4,218	(4,405)	-
Adjusted EBITDA	1,126	6,714	(5,588)	(83)	342	4,704	(4,362)	(93)
<i>Adjusted EBITDA margin</i>	<i>5%</i>	<i>28%</i>	<i>(23) pp</i>		<i>4%</i>	<i>32%</i>	<i>(28) pp</i>	

In 2Q 2024 compared to the respective period of 2023 *Sales* of Sugar segment decreased by 39% mainly due to the decrease of sugar sales volume by 50% to 117 thousand tonnes. Sales volumes reduced in 2Q 2024 due to lower carryover stocks and reserving volumes of sugar for future deliveries under long-term and high margin contracts.

In 6M 2024 compared to the respective period of 2023 *Sales* of Sugar segment decreased by 11% mainly due to the decrease of sugar sales volume by 20%.

Production and sales volume of sugar in 6M and 2Q 2024

	Six months ended		Variance		Three months ended		Variance	
	30 June	30 June	Units	%	30 June	30 June	Units	%
	2024	2023			2024	2023		
Sugar production volume, <i>thousand tonnes</i>	183	104	79	76	54	35	19	54
Sales volume, <i>thousand tonnes</i>	304	381	(77)	(20)	117	233	(116)	(50)

The *Cost of sales* in 6M 2024 increased compared to the respective period in 2023 following an increase in prices for sugar beet and increase in processing and delivery costs.

The *Cost of sales* in 2Q 2024 compared to the respective period in 2023 decreased mainly due to the decrease of sugar sales volumes.

MEAT SEGMENT

In 6M 2024 Meat segment earned RUB 2,565 million of adjusted EBITDA (+250% y-o-y) with 11% margin (+8 pp y-o-y).

The financial results of the Meat segment of 6M 2024 and 2Q 2024 compared to 6M 2023 and 2Q 2023 are presented in the table below:

Meat segment 6M and 2Q 2024 Financial Results

in RUB million	Six months ended		Variance		Three months ended		Variance	
	30 June 2024	30 June 2023	Units	%	30 June 2024	30 June 2023	Units	%
Sales	22,615	22,649	(33)	(0)	12,009	11,923	86	1
Net gain/ (loss) on revaluation of biological assets and agricultural produce	17	2,272	(2,255)	(99)	(939)	945	(1,884)	-
Cost of sales	(19,536)	(22,375)	2,839	13	(9,986)	(11,465)	1,479	13
Gross profit	3,096	2,547	549	22	1,084	1,403	(319)	(23)
<i>Gross profit margin</i>	<i>14%</i>	<i>11%</i>	<i>3 pp</i>		<i>9%</i>	<i>12%</i>	<i>(3) pp</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	3,079	273	2,806	1,027	2,023	458	1,565	342
<i>Adjusted gross profit margin</i>	<i>14%</i>	<i>1%</i>	<i>13 pp</i>		<i>17%</i>	<i>4%</i>	<i>13 pp</i>	
Distribution and selling expenses	(1,019)	(766)	(253)	(33)	(587)	(451)	(136)	(30)
General and administrative expenses	(1,146)	(1,216)	70	6	(576)	(616)	40	7
Other operating income/ (expenses), net	124	182	(57)	(32)	6	(133)	138	-
<i>operating costs (government grants)</i>	3	23	(20)	(86)	3	4	(1)	(16)
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	83	215	(132)	(61)	89	117	(28)	(24)
Operating profit	1,055	746	309	41	(73)	204	(277)	-
Adjusted EBITDA	2,565	734	1,831	250	1,412	287	1,125	392
<i>Adjusted EBITDA margin</i>	<i>11%</i>	<i>3%</i>	<i>8 pp</i>		<i>12%</i>	<i>2%</i>	<i>9 pp</i>	

Sales of the Meat segment in 6M 2024 and 2Q 2024 stay at the same level as in 6M 2023 and 2Q 2023. The increase in prices for both meat products and livestock pigs was offset by a decrease in sales volumes following lower production volumes.

Production and sales volume of pork products in 6M and 2Q 2024

	Six months ended		Variance		Three months		Variance	
	30 June	30 June	Units	%	30 June	30 June	Units	%
	2024	2023			2024	2023		
Pigs production, <i>thousand tonnes in live weight</i>	153	175	(22)	(13)	79	86	(7)	(8)
Sales volume, <i>thousand tonnes</i>	121	146	(25)	(17)	63	74	(11)	(15)

Cost of sales in 2Q 2024 and 6M 2024 decreased by 13% compared to the respective periods of 2023 following lower sales volumes.

Net loss on revaluation of biological assets and agricultural produce in 2Q 2024 resulted from the decrease in fair value of consumable livestock pigs and at the same time the increase of costs for consumable livestock pigs increased by the reporting date compared to the respective figures at the beginning of 2Q 2024. The increase of the fair value in 1Q 2024 was partly compensated by its decrease in 2Q 2024 which affected *Net gain on revaluation of biological assets and agricultural produce* in 6M 2024.

AGRICULTURE SEGMENT

As at 30 June 2024 Rusagro's area of controlled land stands at 696 thousand hectares (31 December 2023: 685 thousand hectares).

In 6M 2024 Agriculture segment amounted to RUB -2,192 million of adjusted EBITDA (in comparison with RUB 1,116 million in 6M 2023) with -25% margin (in comparison with 10% in 6M 2023).

The financial results of the Agricultural segment of 6M and 2Q 2024 compared to 6M and 2Q 2023 respectively are presented below.

Agriculture segment 6M and 2Q 2024 Financial Results

in RUB million	Six months ended		Variance		Three months ended		Variance	
	30 June 2024	30 June 2023	Units	%	30 June 2024	30 June 2023	Units	%
Sales	8,616	11,559	(2,943)	(25)	4,310	5,663	(1,353)	(24)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	2,964	(2,092)	5,056	-	3,643	(677)	4,320	-
Cost of sales	(7,714)	(9,249)	1,535	17	(4,005)	(3,994)	(11)	(0)
Gross profit	3,866	218	3,648	1,673	3,948	992	2,957	298
<i>Gross profit margin</i>	<i>45%</i>	<i>2%</i>	<i>43 pp</i>		<i>92%</i>	<i>18%</i>	<i>74 pp</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	902	2,310	(1,408)	(61)	305	1,669	(1,364)	(82)
<i>Adjusted gross profit margin</i>	<i>10%</i>	<i>20%</i>	<i>(10) pp</i>		<i>7%</i>	<i>29%</i>	<i>(22) pp</i>	
Distribution and selling expenses	(2,373)	(2,068)	(305)	(15)	(890)	(1,019)	130	13
General and administrative expenses	(889)	(780)	(109)	(14)	(409)	(428)	19	4
Other operating income/ (expenses), net	(203)	457	(659)	-	268	361	(92)	(26)
<i>incl. Reimbursement of operating costs (government grants)</i>	434	457	(23)	(5)	210	425	(216)	(51)
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	(102)	(125)	23	18	(155)	(145)	(10)	(7)
Operating profit	401	(2,174)	2,575	-	2,918	(95)	3,013	-
Adjusted EBITDA	(2,192)	1,116	(3,308)	-	(401)	1,233	(1,633)	-
<i>Adjusted EBITDA margin</i>	<i>-25%</i>	<i>10%</i>	<i>(35) pp</i>		<i>(9%)</i>	<i>22%</i>	<i>(31) pp</i>	

In 6M and 2Q 2024 compared to 6M and 2Q 2023 *Sales* of the Agriculture segment decreased by 25% and 24% correspondingly mainly due to a decrease in sales volumes for all crops except for wheat (for 2Q 2024) and barley (for 2Q and 6M 2024).

The decrease in sales of soybean and sunflower in 6M 2024 compared to 6M 2023 is due to the difference in stocks at the beginning of the reporting periods caused by adverse weather conditions in 4Q 2022 and prolonged harvesting in 1Q 2023.

There were no sales of sugar beet during 6M 2024. Sugar beet sales in 6M 2023 were the result of the shift of harvesting to 1Q 2023 due to adverse weather conditions in 4Q 2022.

The dynamics of wheat sales in 6M 2024 compared to the same period in 2023 is due to higher sales in 1Q 2024 in order to release the storage for the new year's harvest.

Sales volumes of crops in 6M and 2Q 2024

Thousand tonnes	Six months ended		Variance		Three months ended		Variance	
	30 June 2024	30 June 2023	Units	%	30 June 2024	30 June 2023	Units	%
wheat	278	194	84	43	123	135	(12)	(9)
soybean	85	180	(96)	(53)	39	94	(55)	(59)
corn	72	92	(20)	(22)	53	63	(10)	(16)
barley	28	-	28	100	15	-	15	100
sunflower seeds	19	56	(37)	(66)	14	16	(2)	(11)
sugar beet	-	494	(494)	(100)	-	-	-	-

The main reason for the decrease in *Cost of sales* is the decrease in sales volumes.

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.

Net gain in 6M 2024 and 2Q 2024 was caused by the revaluation of growing crops during the positive dynamics of market prices. Net loss in 6M 2023 and 2Q 2023 resulted from the realization of gain on revaluation of agricultural produce to fair value less costs to sell recognized in 2022.

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

OIL AND FAT SEGMENT

In 1H 2024 Oil and Fat segment earned RUB 10,719 million of adjusted EBITDA (+73 % y-o-y) with 12% margin (+0% y-o-y).

The financial results of the Oil and Fat segment of 6M 2024 and 2Q 2024 compared to 6M 2023 and 2Q 2023 are presented below.

Oil and Fat segment 6M and 2Q 2024 Financial Results

in RUB million	Six months ended		Variance		Three months ended		Variance	
	30 June 2024	30 June 2023	Units	%	30 June 2024	30 June 2023	Units	%
Sales	90,107	51,399	38,708	75	46,995	28,042	18,953	68
Cost of sales	(70,535)	(40,356)	(30,179)	(75)	(36,874)	(22,640)	(14,234)	(63)
Gross profit	19,572	11,043	8,529	77	10,121	5,402	4,719	87
<i>Gross profit margin</i>	<i>22%</i>	<i>21%</i>	<i>1 pp</i>		<i>22%</i>	<i>19%</i>	<i>3 pp</i>	
Distribution and selling expenses	(9,622)	(4,078)	(5,544)	(136)	(4,885)	(2,172)	(2,713)	(125)
General and administrative expenses	(2,309)	(1,917)	(393)	(20)	(1,055)	(1,096)	42	4
Other operating income/ (expenses), net	(1,051)	(1,950)	899	46	(1,147)	(1,372)	225	16
<i>incl. Reimbursement of operating costs (government grants)</i>								
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	(935)	(805)	(130)	(16)	(1,150)	(103)	(1,048)	(1,020)
Operating profit	6,589	3,098	3,491	113	3,034	762	2,272	298
Adjusted EBITDA	10,719	6,192	4,528	73	5,817	2,030	3,787	186
<i>Adjusted EBITDA margin</i>	<i>12%</i>	<i>12%</i>	<i>(0) pp</i>		<i>12%</i>	<i>7%</i>	<i>5 pp</i>	

In 6M 2024 and 2Q 2024 Sales of Oil and Fat segment increased in comparison to 6M 2023 and 2Q 2023 mainly due to the consolidation of NMGK and also the increase in sales volumes of bulk oil and meal after the completion of modernization of oil extraction plant in Balakovo, which led to growth in production capacity and volumes, and increase in accident free operation time at other production sites.

Sales volumes of oil and fat and dairy products in 6M and 2Q 2024

Thousand tonnes	Six months ended		Variance		Three months ended		Variance	
	30 June 2024	30 June 2023	Units	%	30 June 2024	30 June 2023	Units	%
meal	483	257	225	88	219	124	95	76
crude oil	368	156	211	135	208	102	106	103
industrial fats	172	151	21	14	78	75	3	4
dry whey mixes	7	6	2	27	4	3	1	24
consumer oil&fat products	235	138	97	70	118	73	45	62
consumer dairy products	7	8	(0)	(6)	5	4	0	3

The growth of *Cost of sales and Distribution and selling expenses* in 6M 2024 and 2Q 2024 compared to the same periods of the previous year is mainly due to the consolidation of NMGK and the increase in sales volumes.

KEY CONSOLIDATED CASH FLOW INDICATORS (NOT IFRS PRESENTATION*)

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

in RUB million	Six months ended		Variance		Three months ended		Variance	
	30 June 2024	30 June 2023	Units	%	30 June 2024	30 June 2023	Units	%
Net cash from operating activities, incl.	16,890	32,576	(15,686)	(48)	6,642	16,572	(9,930)	(60)
<i>Operating cash flow before working capital changes</i>	14,721	15,678	(957)	(6)	6,315	8,686	(2,371)	(27)
<i>Working capital changes</i>	4,823	17,509	(12,686)	(72)	1,400	8,206	(6,805)	(83)
Net cash from investing activities, incl.	(11,038)	(11,974)	935	8	(4,717)	(9,684)	4,967	51
<i>Purchases of property, plant and equipment and inventories intended for construction</i>	(10,892)	(5,193)	(5,699)	(110)	(4,621)	(3,103)	(1,518)	(49)
Net cash from financing activities	(24,067)	5,341	(29,408)	-	(10,448)	12,070	(22,517)	-
Net effect of exchange rate changes on cash and cash equivalents	(245)	4,228	(4,473)	-	(146)	2,295	(2,441)	-
Net (decrease) / increase in cash and cash equivalents	(18,460)	30,172	(48,632)	-	(8,668)	21,253	(29,921)	-

(*) See Appendix 4

Debt position and liquidity management

in RUB million	30 June 2024	31 December 2023	Variance	
			Units	%
Gross debt	111,043	127,533	(16,490)	(13)
<i>Short-term borrowings</i>	45,510	68,035	(22,525)	(33)
<i>Long-term borrowings</i>	65,533	59,498	6,035	10
Cash and cash equivalents, bank deposits and bonds	(49,420)	(61,057)	11,637	19
<i>Short-term cash, deposits and bonds</i>	(15,449)	(27,086)	11,637	43
<i>Long-term cash, deposits and bonds</i>	(33,971)	(33,971)	(0)	(0)
Net debt	61,623	66,477	(4,854)	(7)
<i>Short-term borrowings, net</i>	30,061	40,949	(10,888)	(27)
<i>Long-term borrowings, net</i>	31,562	25,527	6,035	24
Adjusted EBITDA (LTM⁴)	54,756	56,560	(1,804)	(3)
Net debt/ Adjusted EBITDA (LTM)	1.13	1.18	(0.05)	-

Net finance income / (expense):

in RUB million	Six months ended		Variance		Three months ended		Variance	
	30 June	30 June	Units	%	30 June	30 June	Units	%
	2024	2023			2024	2023		
Net interest expense	(3,310)	(3,693)	383	10	(1,890)	(1,768)	(122)	(7)
<i>Gross interest expense</i>	(9,119)	(9,263)	145	2	(5,723)	(4,620)	(1,102)	(24)
<i>Reimbursement of interest expense</i>	5,808	5,570	238	4	3,833	2,852	981	34
Interest income	4,337	4,954	(617)	(12)	2,067	2,512	(445)	(18)
Other financial expenses, net	(1,450)	6,179	(7,629)	-	(1,417)	3,197	(4,614)	-
<i>Net foreign exchange gains / (losses)</i>	(995)	6,484	(7,479)	-	(984)	3,385	(4,370)	-
<i>Other financial income/ (expenses), net</i>	(455)	(305)	(150)	(49)	(433)	(188)	(244)	(130)
Total net finance income / (expense)	(423)	7,439	(7,862)	-	(1,239)	3,941	(5,181)	-

Net debt decreased at 30 June 2024 compared at 31 December 2023 by 7%.

In 6M 2024 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 6M 2024 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 income of 6M 2023 in the sum of RUB 7,439 million changed to *net finance expense* in the amount of RUB 423 million mainly as the result of negative dynamics in forex differences.

-
- (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 696 thousand hectares of land under control located in the highly fertile Black Earth regions of Russia (in the Belgorod, Tambov, Voronezh, Kursk, Saratov, Tula and 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, barley 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 and mayonnaise 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.

Rusagro finalized the acquisition of 50% and control over NMGK Group in 2023. NMGK Group owns an oil and fat plant in Nizhny Novgorod, a fat plant in Samara, oil extraction factories in Uryupinsk and Sorochinsk, as well as elevators in the Volgograd, Orenburg, Samara, Saratov regions and the Republic of Bashkortostan. The company produces mayonnaise and sauces "Ryaba", "Sdobri", sauces and ketchups "Astoria", margarine "Khozyayushka", Slivochnik, spread "Kremlevskoe", coconut oil "Delicato", soap "Moy malysh" and "Retsepty chistoty".

Sugar:

Rusagro is one of the leading Russian sugar producers (№2 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 №2 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*).

LIVE BROADCAST

Rusagro management is organizing a live broadcast on Company's 6M and 2Q 2024 financial results for investors and analysts.

Details:

Date: 5 August 2024
Time: 4:00 PM (Moscow) / 2:00 PM (London)
Subject: ROS AGRO PLC 6M and 2Q 2024 IFRS Financial results

<https://www.youtube.com/live/hrhZnbhVFzU>

Simultaneous translation for English-speaking participants will be available at the link below:

<https://us06web.zoom.us/j/87521084078?pwd=mrX8au9Z2V9PKJPaCJxea6bpSoP7VE.1>

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 Six and Three months ended 30 June 2024 (in RUB thousand)

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Sales	139,042,969	106,549,362	70,734,043	59,153,906
Net gain / (loss) on revaluation of biological assets and agricultural produce	(335,965)	(965,675)	1,633,517	(419,128)
Cost of sales	(109,955,503)	(84,635,964)	(57,439,265)	(46,417,378)
Gross profit	28,751,501	20,947,723	14,928,295	12,317,400
Distribution and selling expenses	(14,123,413)	(7,354,540)	(6,716,674)	(3,774,048)
General and administrative expenses	(5,822,658)	(4,862,514)	(2,923,363)	(2,682,800)
Other operating income/(expenses), net	(3,169,761)	278,489	(1,947,430)	(512,774)
Operating profit	5,635,669	9,009,158	3,340,828	5,347,778
Interest expense	(3,310,064)	(3,693,364)	(1,889,884)	(1,768,118)
Interest income	4,337,267	4,953,569	2,067,458	2,512,334
Other financial income/ (expenses), net	(1,450,405)	6,178,811	(1,417,018)	3,196,917
Profit / (loss) before taxation	5,212,467	16,448,174	2,101,384	9,288,911
Income tax expense	(1,726,970)	(3,256,873)	(355,915)	(1,514,559)
Profit for the period	3,485,497	13,191,301	1,745,469	7,774,352
Other comprehensive income:				
Total comprehensive income/ (loss) for the period	3,485,497	13,191,301	1,745,469	7,774,352
Profit / (loss) is attributable to:				
Owners of ROS AGRO PLC	1,222,407	13,194,400	696,416	7,770,659
Non-controlling interest	2,263,090	(3,099)	1,049,053	3,693
Profit / (loss) for the period	3,485,497	13,191,301	1,745,469	7,774,352
Total comprehensive income/ (loss) is attributable to:				
Owners of ROS AGRO PLC	1,222,407	13,194,400	696,416	7,770,659
Non-controlling interest	2,263,090	(3,099)	1,049,053	3,693
Total comprehensive income/ (loss) for the period	3,485,497	13,191,301	1,745,469	7,774,352
Earnings per ordinary share for profit attributable to the equity holders of ROS AGRO PLC, basic and diluted (in RR per share)	45.43	490.38	25.88	288.80

Appendix 2. Segment information for the Six months ended 30 June 2024 (in RUB thousand)

6M 2024	Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total
Sales	21,378,288	22,615,448	8,615,958	90,107,175	1,205,311	(4,879,211)	139,042,969
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	16,992	2,964,029	-	-	(3,316,986)	(335,965)
Cost of sales	(18,297,653)	(19,536,327)	(7,713,792)	(70,535,188)	(1,059,125)	7,186,582	(109,955,503)
<i>incl. Depreciation</i>	<i>(1,196,354)</i>	<i>(1,574,565)</i>	<i>(189,421)</i>	<i>(2,557,605)</i>	<i>(12,141)</i>	<i>(20,439)</i>	<i>(5,550,525)</i>
Gross profit / (loss)	3,080,635	3,096,113	3,866,195	19,571,987	146,186	(1,009,615)	28,751,501
Distribution and Selling, General and administrative expenses	(3,183,154)	(2,164,851)	(3,262,725)	(11,931,411)	(1,344,427)	1,940,497	(19,946,071)
<i>incl. Depreciation</i>	<i>(31,558)</i>	<i>(35,066)</i>	<i>(79,238)</i>	<i>(637,249)</i>	<i>(31,279)</i>	<i>20,439</i>	<i>(793,951)</i>
Other operating income/(expenses), net	(8,393)	124,136	(202,556)	(1,051,455)	26,404,115	(28,435,608)	(3,169,761)
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>792</i>	<i>3,340</i>	<i>434,032</i>	<i>97,412</i>	<i>-</i>	<i>-</i>	<i>535,576</i>
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	<i>(9,187)</i>	<i>82,814</i>	<i>(102,288)</i>	<i>(935,434)</i>	<i>26,632,416</i>	<i>(27,153,868)</i>	<i>(1,485,547)</i>
Operating profit / (loss)	(110,912)	1,055,398	400,914	6,589,121	25,205,874	(27,504,726)	5,635,669
Adjustments:					0	0	0
Depreciation included in Operating profit	1,227,912	1,609,631	268,659	3,194,854	43,420	-	6,344,476
Other adjustments to EBITDA (non-recurring items)	9,187	(82,814)	102,288	935,434	(26,632,416)	27,153,868	1,485,547
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(16,992)	(2,964,029)	-	-	3,316,986	335,965
Adjusted EBITDA*	1,126,187	2,565,223	(2,192,168)	10,719,409	(1,383,122)	2,966,128	13,801,657

Appendix 2. Segment information for the Six months ended 30 June 2023 (in RUB thousand)

6M 2023	Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total
Sales	23,973,640	22,648,603	11,559,185	51,399,022	1,004,700	(4,035,788)	106,549,362
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	2,272,491	(2,092,419)	-	-	(1,145,747)	(965,675)
Cost of sales	(15,860,003)	(22,374,393)	(9,248,748)	(40,356,197)	(569,399)	3,772,776	(84,635,964)
<i>incl. Depreciation</i>	<i>(1,052,138)</i>	<i>(2,413,367)</i>	<i>(959,561)</i>	<i>(1,851,417)</i>	<i>(8,811)</i>	<i>(19,050)</i>	<i>(6,304,344)</i>
Gross profit / (loss)	8,113,637	2,546,701	218,018	11,042,825	435,301	(1,408,759)	20,947,723
Distribution and Selling, General and administrative expenses	(2,643,930)	(1,982,738)	(2,848,308)	(5,995,076)	(1,050,411)	2,303,409	(12,217,054)
<i>incl. Depreciation</i>	<i>(33,778)</i>	<i>(62,539)</i>	<i>(112,643)</i>	<i>(437,660)</i>	<i>(71,487)</i>	<i>19,050</i>	<i>(699,057)</i>
Other operating income/(expenses), net	221,266	181,526	456,648	(1,950,089)	1,841,712	(472,574)	278,489
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>87,768</i>	<i>23,413</i>	<i>456,578</i>	<i>126,345</i>	<i>-</i>	<i>-</i>	<i>694,104</i>
<i>incl. Other adjustments to EBITDA (non-recurring items)</i>	<i>62,433</i>	<i>214,983</i>	<i>(125,300)</i>	<i>(804,995)</i>	<i>1,961,579</i>	<i>63,722</i>	<i>1,372,422</i>
Operating profit / (loss)	5,690,973	745,489	(2,173,642)	3,097,660	1,226,602	422,076	9,009,158
Adjustments:							
Depreciation included in Operating Profit	1,085,916	2,475,906	1,072,204	2,289,077	80,298	-	7,003,401
Other adjustments to EBITDA (non-recurring items)	(62,433)	(214,983)	125,300	804,995	(1,961,579)	(63,722)	(1,372,422)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(2,272,491)	2,092,419	-	-	1,145,747	965,675
Adjusted EBITDA*	6,714,456	733,921	1,116,281	6,191,732	(654,679)	1,504,101	15,605,812

*Non-IFRS measure

**Appendix 3. Consolidated statement of financial position as at 30 June 2024
(in RUB thousand)**

	30 June 2024	31 December 2023
ASSETS		
Current assets		
Cash and cash equivalents	7,476,436	25,936,781
Short-term investments	9,460,016	2,288,852
Trade and other receivables	49,671,467	47,861,374
Prepayments	10,116,502	10,814,811
Current income tax receivable	124,322	132,186
Other taxes receivable	7,712,845	9,006,784
Inventories and short-term biological assets	95,882,065	100,617,833
Other current assets	876,076	2,718,720
Total current assets	181,319,729	199,377,341
Non-current assets		
Property, plant and equipment	145,486,196	141,897,092
Inventories intended for construction	501,337	465,830
Right-of-use assets	6,663,396	6,392,885
Goodwill	3,840,150	3,840,150
Advances paid for non-current assets	3,872,657	2,867,735
Long-term biological assets	3,083,232	2,736,644
Long-term investments and receivables	42,527,215	42,527,657
Investments in associates	562,323	562,323
Deferred income tax assets	3,871,162	2,532,975
Other intangible assets	7,547,262	7,765,853
Total non-current assets	217,954,930	211,589,144
Total assets	399,274,659	410,966,485

Appendix 3 (continued). Consolidated statement of financial position as at 30 June 2024 (in RUB thousand)

	30 June 2024	31 December 2023
LIABILITIES and EQUITY		
Current liabilities		
Short-term borrowings	45,509,578	68,034,977
Lease liabilities	1,089,553	1,098,135
Trade and other payables	34,705,537	39,452,813
Provisions	153,354	123,212
Current income tax payable	235,210	555,913
Other taxes payable	3,021,856	5,458,529
Total current liabilities	84,715,088	114,723,579
Non-current liabilities		
Long-term borrowings	65,532,545	59,498,119
Government grants	14,033,969	12,860,211
Lease liabilities	5,102,632	4,325,136
Deferred income tax liability	3,547,799	2,502,074
Total non-current liabilities	88,216,945	79,185,540
Total liabilities	172,932,033	193,909,119
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	174,598,911	173,344,692
Equity attributable to owners of ROS AGRO PLC	202,448,229	201,194,010
Non-controlling interest	23,894,397	15,863,356
Total equity	226,342,626	217,057,366
Total liabilities and equity	399,274,659	410,966,485

Appendix 4. Consolidated statement of cash flows for the Six months ended 30 June 2024 (in RUB thousand) – NOT IFRS PRESENTATION (*)

	Six months ended	
	30 June 2024	30 June 2023
Cash flows from operating activities		
Profit/(loss) before income tax	5,212,467	16,448,174
<i>Adjustments for:</i>		
Depreciation and amortization	6,344,476	7,003,399
Interest expense	9,118,509	9,264,000
Government grants	(5,999,828)	(6,536,472)
Interest income	(4,337,267)	(4,954,001)
Loss/ (gain) on disposal of property, plant and equipment	23,000	(116,880)
Net (gain) / loss on revaluation of biological assets and agricultural produce	335,965	965,675
Change in provision for impairment of loans issued	(69)	(123)
Interest expense on leases	355,458	133,630
Change in provision for net realisable value of inventory	955,630	591,994
Change in provision for impairment of receivables and prepayments	(70,294)	1,605,292
Foreign exchange (gain) / loss, net	2,123,761	(8,171,930)
Lost / (reversal of) harvest write-off	454,543	-
Settlement of loans and accounts receivable previously written-off	(1)	(31,379)
Change in provision for impairment of advances paid for property, plant and equipment	8,630	29,613
Change in other provisions	30,142	59,549
Dividend income	-	(345,499)
Loss on disposal of other assets	-	456
Loss on disposal of other assets	27,007	-
Gain on SolPro loans redemption	-	(260,587)
Other non-cash and non-operating expenses, net	138,421	(7,275)
Operating cash flow before working capital changes	14,720,550	15,677,636
Change in trade and other receivables and prepayments	(2,590,982)	2,727,560
Change in other taxes receivable	732,233	739,260
Change in inventories and short-term biological assets	4,414,931	(364,691)
Change in trade and other payables	2,016,660	15,358,946
Change in other taxes payable	(1,676,353)	(951,606)
Change on other current assets	1,926,698	-
Cash generated from operations	19,543,737	33,187,105
Income tax paid	(2,653,290)	(610,788)
Net cash from operating activities	16,890,447	32,576,317

Appendix 4 (continued). Consolidated statement of cash flows for the Six months ended 30 June 2024 (in RUB thousand) – NOT IFRS PRESENTATION (*)

	Six months ended	
	30 June 2024	30 June 2023
Cash flows from investing activities		
Purchases of property, plant and equipment	(10,794,669)	(5,058,367)
Purchases of other intangible assets	(282,795)	(451,098)
Purchases of land lease rights	(7,560)	(15,486)
Proceeds from sales of property, plant and equipment	71,822	12,165
Purchases of inventories intended for construction	(97,110)	(134,198)
Purchases of associates	-	(33,000)
Investments in subsidiaries, net of cash acquired	-	(6,625,625)
Dividends received	-	345,499
Proceeds from sales of other investments	-	13,205
Other investing activities	72,024	(26,672)
Net cash from investing activities	(11,038,288)	(11,973,577)
Cash flows from financing activities		
Proceeds from borrowings	44,737,549	79,094,106
Repayment of borrowings	(62,343,855)	(111,419,218)
Interest paid	(3,053,452)	(3,238,680)
Change in cash on bank deposits	(7,750,908)	33,286,758
Loans given*	(9)	(3,500)
Loans repaid*	166	527,164
Interest received*	4,240,819	6,454,099
Proceeds from government grants	783,933	690,780
Purchases of non-controlling interest	(5)	-
Repayment of lease liabilities - principal	(681,353)	(50,492)
Net cash from financing activities	(24,067,115)	5,341,017
Net effect of exchange rate changes on cash and cash equivalents	(245,389)	4,227,780
Net increase/ (decrease) in cash and cash equivalents	(18,460,345)	30,171,537
Cash and cash equivalents at the beginning of the period	25,936,781	21,473,029
Cash and cash equivalents at the end of the period	7,476,436	51,644,566

() 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.*