



16 November 2020

## **ROS AGRO financial results for 9M 2020 and 3Q 2020**

**16 November 2020** – Today ROS AGRO PLC (the “Company”), the holding company of Rusagro Group (the “Group”), a leading Russian diversified food producer with vertically integrated operations, has announced the financial results for the Nine months ended 30 September 2020.

### **9M 2020 Highlights**

- Sales amounted to RR 108,762 million (US\$ 1,534 million<sup>1</sup>), an increase of RR 9,686 million (+10%) compared to 9M 2019;
- Adjusted EBITDA<sup>2</sup> amounted to RR 20,739 million (US\$ 292 million), an increase of RR 8,747 million (+73%) compared to 9M 2019;
- Adjusted EBITDA margin rose from 12% in 9M 2019 to 19% in 9M 2020;
- Net profit for the period amounted to RR 19,018 million (US\$ 268 million), an increase of RR 13,405 million (+239%);
- Net debt position<sup>3</sup> as of 30 September 2020 amounted to RR 53,302 million (US\$ 669 million);
- Net Debt/ Adjusted EBITDA (LTM<sup>4</sup>) as of 30 September 2020 was 1.90x.

Commenting on the results, Maxim Basov, a member of the Board of Directors of ROS AGRO PLC and CEO of the Group, said:

“In 3Q 2020 sales and adjusted EBITDA of the Group improved significantly. Sales of all segments except Sugar have increased mainly due to sales prices growth of Oil and Fat products, pork and all crops despite the decrease of sales volumes in Oil and Fat and Agricultural Segments. Sales volumes in Meat Segments increased substantially as the result of higher volumes of processed pork due to production expansion in Tambov Region. Sugar price has also improved as the result of lower sugar beet harvest.

Adjusted EBITDA margins of Oil and Fat, Meat and Agricultural Segments improved mostly as the result of sales prices growth in all product lines while costs were quite stable. Sugar Segment in addition to price growth benefited from significant decrease in cost of sales due to sugar beet price drop in season 2019/2020 compared to 2018/2019.

In 9M 2020 the Company operated in the world pandemic environment, which had two key effects. The first one was the growth of demand for consumer products, and the second one was rouble devaluation as a result of oil price drop.

Despite several identified cases among employees, travel and logistical disruptions, government restrictions Ros Agro managed to operate all plants at high capacity, continue construction and harvest crops well. The company implemented new production protocols, improved liquidity position and supported the medical infrastructure of the main regions of operation.”

## Key consolidated financial performance indicators

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2020	September 2019			September 2020	September 2019		
<b>Sales</b> <sup>1</sup>	<b>108,762</b>	<b>99,076</b>	<b>9,686</b>	<b>10</b>	<b>37,526</b>	<b>33,756</b>	<b>3,771</b>	<b>11</b>
<b>Gross profit</b>	<b>30,988</b>	<b>15,446</b>	<b>15,543</b>	<b>101</b>	<b>15,572</b>	<b>6,303</b>	<b>9,269</b>	<b>147</b>
<i>Gross margin, %</i>	<i>28%</i>	<i>16%</i>	<i>12 pp</i>		<i>41%</i>	<i>19%</i>	<i>22 pp</i>	
<b>Adjusted EBITDA</b> <sup>2</sup>	<b>20,739</b>	<b>11,992</b>	<b>8,747</b>	<b>73</b>	<b>8,614</b>	<b>4,211</b>	<b>4,403</b>	<b>105</b>
<i>Adjusted EBITDA margin, %</i>	<i>19%</i>	<i>12%</i>	<i>7 pp</i>		<i>23%</i>	<i>12%</i>	<i>11 pp</i>	
<b>Net profit for the period</b> <sup>3</sup>	<b>19,018</b>	<b>5,612</b>	<b>13,405</b>	<b>239</b>	<b>11,018</b>	<b>3,044</b>	<b>7,973</b>	<b>262</b>
<i>Net profit margin %</i>	<i>17%</i>	<i>6%</i>	<i>11 pp</i>		<i>29%</i>	<i>9%</i>	<i>20 pp</i>	

<sup>1</sup> Sales and COS for 9M19 related to Oil & Fats (RR 7,396 million) and Other (RR 1,120 million) have been netted versus each other with no effect on Gross profit in accordance with p. 17(a) and 17(b) of IFRS15

<sup>2</sup> Adjusted EBITDA calculation now also includes other operating income/(expenses), while other non-operating expenses are excluded, effect for 9M19 RR -580 million

Adjusted EBITDA for 3Q19 was decreased by RR 156 million due to revaluation procedure, performed at the year end

<sup>3</sup> 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 RR million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2020	September 2019			September 2020	September 2019		
<b>Sales, incl.</b>	<b>108,762</b>	<b>99,076</b>	<b>9,686</b>	<b>10</b>	<b>37,526</b>	<b>33,756</b>	<b>3,771</b>	<b>11</b>
<i>Sugar</i>	21,078	23,242	(2,164)	(9)	6,809	7,568	(758)	(10)
<i>Meat</i>	22,847	18,296	4,551	25	8,767	7,126	1,641	23
<i>Agriculture</i>	14,751	15,041	(290)	(2)	7,082	5,884	1,197	20
<i>Oil and Fat</i>	51,953	44,579	7,374	17	17,509	15,638	1,871	12
<i>Milk Products</i>	2,764	2,829	(65)	(2)	945	997	(52)	(5)
<i>Other</i>	397	224	174	78	109	68	41	60
<i>Eliminations</i>	(5,028)	(5,134)	105	2	(3,695)	(3,526)	(169)	(5)
<b>Gross profit, incl.</b>	<b>30,988</b>	<b>15,446</b>	<b>15,543</b>	<b>101</b>	<b>15,572</b>	<b>6,303</b>	<b>9,269</b>	<b>147</b>
<i>Sugar</i>	5,373	3,301	2,072	63	1,491	464	1,028	222
<i>Meat</i>	5,294	2,722	2,572	94	2,776	1,290	1,487	115
<i>Agriculture</i>	9,256	2,944	6,312	214	7,443	1,673	5,771	345
<i>Oil and Fat</i>	11,062	5,551	5,511	99	4,197	2,507	1,691	67
<i>Milk Products</i>	307	250	57	23	94	101	(6)	(6)
<i>Other</i>	76	125	(49)	(39)	33	12	21	185
<i>Eliminations</i>	(381)	552	(933)	-	(463)	258	(721)	-
<b>Adjusted EBITDA,</b>	<b>20,739</b>	<b>11,992</b>	<b>8,747</b>	<b>73</b>	<b>8,614</b>	<b>4,211</b>	<b>4,403</b>	<b>105</b>
<i>Sugar</i>	5,005	2,471	2,535	103	1,451	169	1,282	758
<i>Meat</i>	5,480	3,558	1,922	54	2,790	1,585	1,205	76
<i>Agriculture</i>	5,016	3,997	1,019	25	2,912	1,400	1,512	108
<i>Oil and Fat</i>	7,393	1,498	5,895	394	3,043	1,092	1,952	179
<i>Milk Products</i>	(26)	37	(63)	-	(8)	36	(44)	-
<i>Other</i>	(1,094)	(1,056)	(38)	(4)	(479)	(243)	(235)	(97)
<i>Eliminations</i>	(1,035)	1,488	(2,523)	-	(1,096)	173	(1,269)	-
<b>Adjusted EBITDA margin, %</b>	<b>19%</b>	<b>12%</b>	<b>7 pp</b>		<b>23%</b>	<b>12%</b>	<b>11 pp</b>	
<i>Sugar</i>	24%	11%	13 pp		21%	2%	19 pp	
<i>Meat</i>	24%	19%	5 pp		32%	22%	10 pp	
<i>Agriculture</i>	34%	27%	7 pp		41%	24%	17 pp	
<i>Oil and Fat</i>	14%	3%	11 pp		17%	7%	10 pp	
<i>Milk Products</i>	(1)%	1%	(2) pp		(1)%	4%	(5) pp	

## Sugar Segment

The financial results of the Sugar Segment of 9M20 and 3Q20 compared to 9M19 and 3Q19 respectively are presented in the table below:

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
Sales	21,078	23,242	(2,164)	(9)	6,809	7,568	(758)	(10)
Cost of sales	(15,716)	(19,936)	4,220	21	(5,318)	(7,105)	1,786	25
Net gain/ (loss) from trading derivatives	11	(5)	16	-	(0)	1	(1)	-
<b>Gross profit</b>	<b>5,373</b>	<b>3,301</b>	<b>2,072</b>	<b>63</b>	<b>1,491</b>	<b>464</b>	<b>1,028</b>	<b>222</b>
<i>Gross profit margin</i>	<i>25%</i>	<i>14%</i>	<i>11 pp</i>		<i>22%</i>	<i>6%</i>	<i>16 pp</i>	
Distribution and selling expenses	(1,485)	(1,274)	(212)	(17)	(395)	(432)	37	8
General and administrative expenses	(1,047)	(1,118)	71	6	(361)	(395)	34	9
Other operating income/ (expenses), net	143	59	84	143	48	42	7	17
Other non-operating income/ (expenses), net	490	453	37	8	23	47	(24)	(51)
<b>Operating profit</b>	<b>3,474</b>	<b>1,421</b>	<b>2,053</b>	<b>144</b>	<b>806</b>	<b>(275)</b>	<b>1,081</b>	<b>-</b>
	-	-			-	-		
<b>Adjusted EBITDA</b>	<b>5,005</b>	<b>2,471</b>	<b>2,535</b>	<b>103</b>	<b>1,451</b>	<b>169</b>	<b>1,282</b>	<b>758</b>
<i>Adjusted EBITDA margin</i>	<i>24%</i>	<i>11%</i>	<i>13 pp</i>		<i>21%</i>	<i>2%</i>	<i>19 pp</i>	

Sales decreased in 9M20 compared to 9M19 due to both sales volume reduction of 8% and sale price drop of 8%. The decrease of selling prices was caused by sugar overproduction in Russia. However, in comparison to 4Q19 the sale price showed increase of 25% in 9M20 as a result of demand growth triggered by lower harvest of sugar beet in 2020 and the implications of the COVID-19 pandemic. Sugar sales decrease in 9M20 compared to 9M19 was partially compensated by sugar pulp sales growth of RR 868 million and buckwheat sales growth of RR 364 million.

Sales decrease in 3Q20 vs 3Q19 was mainly attributable to sugar sales volume reduction of 25% which was partially compensated by sale price growth of 14%. The sugar pulp sales growth of RR 229 million lessened the overall segment's Sales decrease.

Sugar sales, production volumes and average sales prices per kilogram (excl. VAT) were as follows:

	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
Sugar production volume (in thousand tonnes)	289	238	51	21	179	211	(32)	(15)
Sales volume (in thousand tonnes)	670	727	(57)	(8)	205	274	(69)	(25)
Average sales price (rubles per kg, excl. VAT)	27.4	29.8	(2.4)	(8)	30.1	26.5	3.6	14

*Cost of sales* in 9M20 showed in comparison to 9M19 a higher decrease than *Sales* mainly due to the significant drop of sugar beet purchase prices by 36% when seasons 2019/2020 and 2018/2019 are compared. The launch of second line of desugarization at the end of 2019 led to increase of high-margin sugar produced out of molasses and therefore additional *Cost of sales* decrease.

## Meat Segment

The financial results of the Meat Segment of 9M20 and 3Q20 compared to 9M19 and 3Q19 respectively are presented in the table below:

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
Sales	22,847	18,296	4,551	25	8,767	7,126	1,641	23
Net gain/ (loss) on revaluation of biological assets and agricultural produce	823	(456)	1,279	-	503	(200)	703	-
Cost of sales	(18,376)	(15,117)	(3,258)	(22)	(6,494)	(5,636)	(857)	(15)
<b>Gross profit</b>	<b>5,294</b>	<b>2,722</b>	<b>2,572</b>	<b>94</b>	<b>2,776</b>	<b>1,290</b>	<b>1,487</b>	<b>115</b>
<i>Gross profit margin</i>	<i>23%</i>	<i>15%</i>	<i>8 pp</i>		<i>32%</i>	<i>18%</i>	<i>14 pp</i>	
<i>Gross profit excl. effect of biological assets revaluation</i>	4,471	3,178	1,293	41	2,274	1,490	784	53
<i>Adjusted gross profit margin</i>	<i>20%</i>	<i>17%</i>	<i>3 pp</i>		<i>26%</i>	<i>21%</i>	<i>5 pp</i>	
	-	-	-	-	-	-	-	-
Distribution and selling expenses	(863)	(552)	(311)	(56)	(304)	(184)	(120)	(66)
General and administrative expenses	(960)	(881)	(79)	(9)	(179)	(284)	104	37
Other operating income/ (expenses), net incl. reimbursement of operating costs	117	(43)	160	-	67	40	27	67
	63	50	13	27	64	48	16	32
Other non-operating income/ (expenses), net	279	171	108	63	75	46	30	65
<b>Operating profit</b>	<b>3,868</b>	<b>1,418</b>	<b>2,450</b>	<b>173</b>	<b>2,435</b>	<b>908</b>	<b>1,527</b>	<b>168</b>
	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>5,480</b>	<b>3,558</b>	<b>1,922</b>	<b>54</b>	<b>2,790</b>	<b>1,585</b>	<b>1,205</b>	<b>76</b>
<i>Adjusted EBITDA margin</i>	<i>24%</i>	<i>19%</i>	<i>5 pp</i>		<i>32%</i>	<i>22%</i>	<i>10 pp</i>	

*Sales* of the Meat Segment increased by 25% in 9M20 and by 23% in 3Q20 compared to the respective periods of the prior year because of increase in production volumes of pork mainly due to launch of 3<sup>rd</sup> stage of Tambov Bacon in 3Q19 and increase in productivity. In addition, *Sales* increased as the result of sales price growth in 3Q20 of all meat product categories and livestock pigs by 4% and 13%, respectively, and increased export sales with a premium price relative to the domestic price.

*Cost of sales* increased by 22% due to higher volumes of livestock pigs transferred to meat processing.

*Net gain on revaluation of biological assets and agricultural produce* in 9M20 resulted mainly from an increase in market prices for livestock pigs during the period compared to market prices at the end 2019 and respective increase in fair value of livestock in the closing balance.

An increase in *Distribution and selling expenses* in 9M20 and 3Q20 compared to the same prior year periods included an increase in transportation costs as a result of higher sales volume of processed pork and an increase in payroll costs related to launch of 3<sup>rd</sup> stage of Tambov Bacon, and also as a result of the rise in the costs of marketing activities.

Pork sales volumes and the average pork sales prices per kilogram (excl. VAT) were as follows:

	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
Sales volume (in thousand tonnes), incl.	177	139	38	27	61	53	8	16
livestock pigs	19	18	1	5	8	10	(2)	(16)
processed pork	158	121	37	31	53	43	10	23
Average sale prices (rubles per kg, excl. VAT):								
livestock pigs	78.5	77.6	0.9	1	91.6	81.3	10.3	13
processed pork	134.8	138.5	(3.7)	(3)	151.2	145.0	6.2	4

An increase in *Other operating income* in 9M20 compared to the same prior year period is due to the launch of the grain elevator in Primorie and the reimbursement for part of the costs under the animal insurance program with state support.

## Agricultural Segment

As at 30 September 2020 Group's area of controlled land stands at 648 thousand hectares (30 September 2019: 648 thousand hectares). The financial results of the Agricultural Segment of 9M20 and 3Q20 compared to 9M19 and 3Q19 respectively are presented below:

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
Sales	14,751	15,041	(290)	(2)	7,082	5,884	1,197	20
Net gain/ (loss) on revaluation of biological assets and agricultural produce	3,638	(2,245)	5,883	-	4,645	550	4,095	744
Cost of sales	(9,133)	(9,852)	719	7	(4,283)	(4,762)	479	10
Net gain/ (loss) from trading derivatives	-	-	-	-	-	-	-	-
<b>Gross profit</b>	<b>9,256</b>	<b>2,944</b>	<b>6,312</b>	<b>214</b>	<b>7,443</b>	<b>1,673</b>	<b>5,771</b>	<b>345</b>
<i>Gross profit margin</i>	<i>63%</i>	<i>20%</i>	<i>43 pp</i>		<i>105%</i>	<i>28%</i>	<i>77 pp</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	5,618	5,189	429	8	2,799	1,123	1,676	149
<i>Adjusted gross profit margin</i>	<i>38%</i>	<i>34%</i>	<i>4 pp</i>		<i>40%</i>	<i>19%</i>	<i>21 pp</i>	
Distribution and selling expenses	(1,452)	(2,007)	555	28	(474)	(416)	(58)	(14)
General and administrative expenses	(949)	(943)	(6)	(1)	(330)	(352)	21	6
Other operating income/ (expenses), net	40	(87)	127	-	116	(22)	138	-
<i>incl. reimbursement of operating costs (government)</i>	111	100	11	11	50	28	22	77
Other non-operating income/ (expenses), net	81	(17)	98	-	(33)	27	(60)	-
<b>Operating profit</b>	<b>6,977</b>	<b>(109)</b>	<b>7,086</b>	<b>-</b>	<b>6,722</b>	<b>910</b>	<b>5,812</b>	<b>638</b>
<b>Adjusted EBITDA</b>	<b>5,016</b>	<b>3,997</b>	<b>1,019</b>	<b>25</b>	<b>2,912</b>	<b>1,400</b>	<b>1,512</b>	<b>108</b>
<i>Adjusted EBITDA margin</i>	<i>34%</i>	<i>27%</i>	<i>7 pp</i>		<i>41%</i>	<i>24%</i>	<i>17 pp</i>	

Sales in 9M20 vs 9M19 decreased due to lower sales volumes of sugar beet, wheat, barley and corn, which was compensated by higher sales prices of crops. Significantly higher soybean export sales volume was supported by higher export prices due to the devaluation of the ruble in March.

Higher Sales in 3Q20 compared to 3Q19 were the result of higher sales prices of all crops.



Sales volumes by product were as follows:

Thousand tonnes	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2020	September 2019			September 2020	September 2019		
sugar beet	832	944	(112)	(12)	769	944	(175)	(19)
wheat	268	474	(206)	(44)	186	212	(26)	(12)
barley	92	248	(156)	(63)	41	127	(86)	(68)
corn	92	137	(45)	(33)	26	12	14	122
sunflower seeds	18	10	9	87	-	2	(1)	(80)
soybean	234	174	59	34	55	45	10	23

The average sale prices per kilogram (excl. VAT) were as follows:

RR per kilogram, excl. VAT	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2020	September 2019			September 2020	September 2019		
sugar beet	3.0	1.8	1.2	70	3.2	1.8	1.4	79
wheat	11.6	11.0	0.5	5	11.7	8.8	2.9	33
barley	9.8	10.3	(0.6)	(6)	9.9	9.5	0.4	4
corn	14.6	12.6	2.0	16	13.9	12.2	1.8	15
sunflower seeds	20.2	18.5	1.7	9	25.9	17.0	8.9	52
soybean	26.3	20.0	6.3	31	28.6	19.2	9.4	49

*Net gain on revaluation of biological assets and agricultural produce* in 9M20 represents the realisation of gain from revaluation of 2019 crops harvest remained in stock as at 31 December 2019 and being subsequently sold to customers during 2020, which is overturned by the gain recognised from revaluation of crops for 2020 harvest collected in Q3 2020.

The gain on revaluation of crops and its subsequent realisation do not affect the Adjusted EBITDA figure.

*Distribution and selling expenses* decreased in 9M20 and 3Q20 vs 2019 figures due to lower sales volumes of crops.

*Other non-operating income/(expenses),net* include result from PPE disposal and foreign exchange. Foreign exchange gain is higher by RR 43 million in 9M20 vs 9M19 (in 3Q20 foreign exchange loss totalled RR 45 million against RR 1 million gain in 3Q19). In 9M20 gain from PPE disposal was RR 38 million against RR 18 million of loss in 9M19 (in 3Q20 gain from PPE disposal decreased by RR 14 million vs 3Q19).

## Oil and Fat Segment

The financial results of the Oil and Fat Segment for 9M20 and 3Q20 compared to 9M19 and 3Q19 respectively are presented below:

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
Sales	51,953	44,579	7,374	17	17,509	15,638	1,871	12
Cost of sales	(40,891)	(39,028)	(1,863)	(5)	(13,311)	(13,131)	(180)	(1)
<b>Gross profit</b>	<b>11,062</b>	<b>5,551</b>	<b>5,511</b>	<b>99</b>	<b>4,197</b>	<b>2,507</b>	<b>1,691</b>	<b>67</b>
<i>Gross profit margin</i>	<i>21%</i>	<i>12%</i>	<i>9 pp</i>		<i>24%</i>	<i>16%</i>	<i>8 pp</i>	
Distribution and selling expenses	(2,880)	(3,110)	230	7	(1,072)	(1,093)	21	2
General and administrative expenses	(1,386)	(1,185)	(201)	(17)	(401)	(443)	42	9
Other operating income/ (expenses). net	119	(216)	334	-	153	(25)	178	-
Other non-operating income/ (expenses). net	(355)	6	(361)	-	(179)	25	(205)	-
<b>Operating profit/ (loss)</b>	<b>6,559</b>	<b>1,046</b>	<b>5,513</b>	<b>527</b>	<b>2,698</b>	<b>971</b>	<b>1,727</b>	<b>178</b>
	-	-			-	-		
<b>Adjusted EBITDA</b>	<b>7,393</b>	<b>1,498</b>	<b>5,895</b>	<b>394</b>	<b>3,043</b>	<b>1,092</b>	<b>1,952</b>	<b>179</b>
<i>Adjusted EBITDA margin</i>	<i>14%</i>	<i>3%</i>	<i>11 pp</i>		<i>17%</i>	<i>7%</i>	<i>10 pp</i>	

Sales volumes to third parties by product were as follows:

thousand tons	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
mayonnaise	102	93	9	9	38	37	1	3
margarine	30	30	0	0	10	11	(1)	(11)
bottled oil	115	104	11	11	32	37	(5)	(14)
industrial fats	232	162	71	44	99	70	29	41
bulk oil	287	299	(12)	(4)	71	92	(21)	(23)
meal	443	470	(27)	(6)	126	136	(10)	(8)

The average sale prices per kilogram (excl. VAT) for sales to third parties were as follows:

RR per kilogram, excl. VAT	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
mayonnaise	84.0	79.9	4.1	5	85.6	79.9	5.8	7
margarine	85.9	80.8	5.2	6	91.1	80.4	10.8	13
bottled oil	60.6	53.8	6.8	13	65.4	54.1	11.3	21
industrial fats	55.8	47.8	8.0	17	57.1	45.4	11.7	26
bulk oil	49.1	44.4	4.7	11	54.4	45.8	8.5	19
meal	14.2	15.0	(0.7)	(5)	16.3	15.1	1.1	8

Sales increased as a result of new production capacities rented since 3Q19 in Saratov region, and, as a result, higher sales volumes of industrial fats, supported by regained market share in 2H19, and higher sales volumes mayonnaise. Also increase in sales in 9M20 is due to higher sales prices for all products (except meal). At the same time, EBITDA increased to RR 7,393 million in 9M20 due to increased production capacities. EBITDA margin has increased by 11 pp in 9M20 compared

to 9M19 due to higher sales prices for all products while cost of sales have changed insignificantly because during 2020 sunflower, purchased at lower prices in 2019, was used.

Increase in *General and administrative expenses* in comparison to the prior period is attributed to higher number of employees in administrative function in Oil and Fat segment.

Decrease in *Other operating expenses* by RR 156 million in 1H20 was mainly due to the write-off of RR 175 million as result of sunflower technological losses in 2Q19, additionally transport subsidies were received in the amount of RR 153 million in 3Q20.

Increase in *Other non-operating expenses* by RR 361 million in 9M20 was caused by a change in the exchange rate and charity expenses.

## Milk Products Segment

The financial results of the Milk Products Segment for 9M20 and 3Q20 compared to 9M19 and 3Q19 respectively are presented in the table below:

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
Sales	2,764	2,829	(65)	(2)	945	997	(52)	(5)
Cost of sales	(2,457)	(2,579)	122	5	(851)	(896)	46	5
<b>Gross profit</b>	<b>307</b>	<b>250</b>	<b>57</b>	<b>23</b>	<b>94</b>	<b>101</b>	<b>(6)</b>	<b>(6)</b>
<i>Gross profit margin</i>	<i>11%</i>	<i>9%</i>	<i>2 pp</i>		<i>10%</i>	<i>10%</i>	-	
	0.00	0.00			0.00	0.00		
Distribution and selling expenses	(199)	(100)	(99)	(99)	(72)	(26)	(46)	(179)
General and administrative expenses	(108)	(104)	(4)	(4)	(31)	(30)	(0)	(1)
Other operating income/ (expenses). net	(30)	(11)	(19)	(167)	0	(9)	9	-
Other non-operating income/ (expenses). net	(3)	(0)	(3)	(5,288)	(2)	0	(2)	-
<b>Operating profit</b>	<b>(32)</b>	<b>35</b>	<b>(67)</b>	<b>-</b>	<b>(10)</b>	<b>35</b>	<b>(46)</b>	<b>-</b>
	-	-			-	-		
<b>Adjusted EBITDA</b>	<b>(26)</b>	<b>37</b>	<b>(63)</b>	<b>-</b>	<b>(8)</b>	<b>36</b>	<b>(44)</b>	<b>-</b>
<i>Adjusted EBITDA margin</i>	<i>(1)%</i>	<i>1%</i>	<i>(2) pp</i>		<i>(1)%</i>	<i>4%</i>	<i>(5) pp</i>	

Group is now focusing on entering the retail chains with a consumer product, developing brands and increasing sales profitability.

Sales volumes by product were as follows:

Thousand tonnes	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
cheese and cheese	6	6	0	5	2	2	0	3
butter and spread	1	2	(1)	(67)	0	0	(0)	(46)
dry mixes	11	11	(1)	(5)	4	4	(0)	(9)
cream	3	1	2	264	1	1	0	43

The average sale prices per kilogram (excl. VAT) were as follows:

RR per kilogram, excl. VAT	Nine months ended		Variance		Three months ended		Variance	
	30 September 2019	30 September 2018	Units	%	30 September 2019	30 September 2018	Units	%
cheese and cheese product	209.4	217.1	(7.6)	(4)	207.1	203.0	4.0	2
butter and spread	240.3	279.0	(38.7)	(14)	236.8	235.4	1.4	1
dry mixes	73.2	80.0	(6.8)	(9)	71.0	82.0	(11.0)	(13)
cream	181.0	197.5	(16.5)	(8)	173.5	197.5	(24.0)	(12)

Sales of milk products decreased in 9M20 (RR -65 million, -2%) as a result of decrease of sales volume and shift of sales volume from cheese (more expensive product) to cheese products and significant decrease of milk fat prices due to oversupply in the market.

Growth of *Selling, General and Administrative expenses* due to newly hired during 2019 staff, including key personnel.

## Key consolidated cash flow indicators (not IFRS presentation\*)

The key consolidated cash flow indicators presented according to management accounts methodology were as follows:

in mln Roubles	Nine months ended		Variance		Three months ended		Variance	
	30 September 2020	30 September 2019	Units	%	30 September 2020	30 September 2019	Units	%
<b>Net cash from operating activities, incl.</b>	<b>24,677</b>	<b>28,631</b>	<b>(3,954)</b>	<b>(14)</b>	<b>5,623</b>	<b>9,808</b>	<b>(4,185)</b>	<b>(43)</b>
<i>Operating cash flow before working capital changes</i>	20,915	12,461	8,454	68	8,051	3,796	4,255	112
<i>Working capital changes</i>	4,748	16,127	(11,379)	(71)	(1,701)	5,879	(7,580)	-
<b>Net cash from investing activities, incl.</b>	<b>(9,866)</b>	<b>(20,670)</b>	<b>10,804</b>	<b>52</b>	<b>(5,101)</b>	<b>(14,562)</b>	<b>9,461</b>	<b>65</b>
<i>Purchases of property plant and equipment and inventories intended for construction</i>	(10,090)	(12,390)	2,300	19	(5,266)	(5,985)	719	12
<b>Net cash from financing activities</b>	<b>(7,620)</b>	<b>(4,607)</b>	<b>(3,013)</b>	<b>(65)</b>	<b>5,788</b>	<b>7,045</b>	<b>(1,257)</b>	<b>(18)</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>291</b>	<b>(114)</b>	<b>405</b>	<b>-</b>	<b>118</b>	<b>(0)</b>	<b>119</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>7,482</b>	<b>3,240</b>	<b>4,242</b>	<b>131</b>	<b>6,428</b>	<b>2,290</b>	<b>4,138</b>	<b>181</b>

(\*) See Appendix 4

The key investments in property, plant and equipment and inventories intended for construction during 9M20 were made in Meat Segment in the amount of RR 5,725 million (9M19: RR 8,127 million), purchases related to the construction project in Far East region. Investments in Sugar Segment in the amount of RR 1,368 million (9M19: RR 2,690 million), Agriculture Segment in the amount of RR 1,755 million (9M19: RR 1,423 million), Oil and Fat Segment in the amount of RR 1,217 million (9M19: RR 150 million) and in Milk Products Segment in the amount of RR 25 million (no investments in 9M19) mainly relate to purchases of machinery and equipment for production facilities renewal and maintenance.

## Debt position and liquidity management

in RR million	30 September 2020	31 December 2019	Variance	
			Units	%
<b>Gross debt</b>	<b>96,920</b>	<b>97,876</b>	<b>(956)</b>	<b>(1)</b>
<i>Short-term borrowings</i>	28,590	31,835	(3,245)	(10)
<i>Long-term borrowings</i>	68,330	66,041	2,289	3
<b>Cash and cash equivalents, bank deposits and bonds</b>	<b>(43,618)</b>	<b>(36,136)</b>	<b>(7,482)</b>	<b>(21)</b>
<i>Short-term cash, deposits and bonds</i>	(9,653)	(2,171)	(7,482)	(345)
<i>Long-term cash, deposits and bonds</i>	(33,965)	(33,965)	0	0
<b>Net debt</b>	<b>53,302</b>	<b>61,740</b>	<b>(8,438)</b>	<b>(14)</b>
<i>Short-term borrowings, net</i>	18,937	29,664	(10,727)	(36)
<i>Long-term borrowings, net</i>	34,365	32,076	2,289	7
<b>Adjusted EBITDA (LTM<sup>4</sup>)</b>	<b>28,119</b>	<b>19,448</b>	<b>8,671</b>	<b>45</b>
<b>Net debt/ Adjusted EBITDA (LTM)</b>	<b>1.90</b>	<b>3.17</b>	<b>(1.3) pp</b>	
<b>Adjusted EBITDA (LTM)* without other operating income/expenses</b>	<b>28,359</b>	<b>20,045</b>	<b>8,314</b>	<b>41</b>
<b>Net debt/ Adjusted EBITDA (LTM)* without other operating income/expenses</b>	<b>1.88</b>	<b>3.08</b>	<b>(1.2) pp</b>	

## Net finance income/ (expense)

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2020	September 2019			September 2020	September 2019		
<b>Net interest expense</b>	<b>(3,720)</b>	<b>(3,918)</b>	<b>198</b>	<b>5</b>	<b>(1,138)</b>	<b>(1,217)</b>	<b>79</b>	<b>6</b>
<i>Gross interest expense</i>	(4,891)	(4,846)	(45)	(1)	(1,534)	(1,504)	(29)	(2)
<i>Reimbursement of interest expense</i>	1,170	928	242	26	396	288	108	38
<b>Interest income</b>	<b>4,630</b>	<b>6,012</b>	<b>(1,382)</b>	<b>(23)</b>	<b>1,058</b>	<b>2,016</b>	<b>(958)</b>	<b>(48)</b>
<b>Net gain/ (loss) from bonds held for trading</b>	<b>(16)</b>	<b>(21)</b>	<b>5</b>	<b>23</b>	<b>1</b>	<b>2</b>	<b>(1)</b>	<b>(45)</b>
<b>Other financial income, net</b>	<b>(1,492)</b>	<b>(419)</b>	<b>(1,073)</b>	<b>(256)</b>	<b>(140)</b>	<b>(337)</b>	<b>196</b>	<b>58</b>
<i>Net foreign exchange gain/ (loss)</i>	(1,118)	(32)	(1,086)	(3,400)	97	(43)	140	-
<i>Other financial income / (expenses), net</i>	(374)	(387)	13	3	(237)	(293)	56	19
<b>Total net finance income/ (expenses)</b>	<b>(598)</b>	<b>1,655</b>	<b>(2,253)</b>	<b>-</b>	<b>(219)</b>	<b>465</b>	<b>(684)</b>	<b>-</b>

Net debt decreased at 30 September 2020 compared at 31 December 2019 as a result of an increase in short-term bank deposits and as a result of repayment of loans received.

In 9M20 the Group continued to enjoy benefits from the state agriculture subsidies programme. The Group 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 credits with decreased interest rates, given by the banks to agricultural producers. In 9M20 IFRS accounts these credits 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 9M19 in the sum of RR 1,655 million changed to net finance expense in the amount of RR 598 million in 9M20 as the result of negative dynamics in forex losses and decrease in interest income as a result of accrual of interest on rights to claims and interest receivable on bonds.

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*(1) The exchange rates used for translation of RR 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) other non-operating income/ (expenses), net, (iii) net gain/ (loss) on revaluation of biological assets and agricultural produce, (iv) share-based remuneration (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) The Group 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: AGRO)** – a holding company of Rusagro Group, a leading Russian diversified food producer with vertically integrated operations in the following branches:

*Sugar:*

Rusagro is one of the leading Russian sugar producers (№3 with 12% share in sugar production in Russia and №1 with 50% share of cube white sugar market), producing sugar from sugar beet at nine production sites in four regions. Group produces white and brown cube sugar and packaged sugar sold under the brands Russkii Sakhar, Chaikofsky, Mon Cafe and Brauni. Sugar Segment is vertically integrated and sugar beet is supplied by Rusagro's Agriculture Segment, which ensures a consistent supply of raw material. Sugar Segment also operates a cereal plant and sell buckwheat and rice under the brand Tyoplye Traditsii.

*Meat:*

Rusagro is the fourth largest pork producer in Russia with 5% share of pork produced in Russia. It operates 18 commercial pork complexes with correspondence to high biosecurity standards, has own compound feed production, slaughterhouses and meat processing plants in Tambov and Belgorod Regions. Since 2016 Rusagro sells retail products under its own brand Slovo Myasnika (Butcher's word).

*Agricultural:*

The Group currently controls one of the largest land banks among Russian agriculture producers, with 640 thousand hectares of land under control located in the highly fertile Black Earth region of Russia (in the Belgorod, Tambov, Voronezh, Kursk and Orel regions) and in the Far East Primorie 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 barley, sunflower seeds and soybeans. These products are partially consumed by the Meat Segment, 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 eight key brands, such as EZhK, Schedroye Leto, Mechta Khozyaiki, Moskovskiy Provansal, Novosibirskiy Provansal, Saratovskiy Provansal, Rossiyanka and Saratovskiy Slivochniy. The Group operates (including through ownership and the lease) five crushing and three oil and fats plants. Own sunflower and soy oil production allows to control the source of the vegetable oil required to produce oil and fats products.

*Milk Products:*

Launched at the end of 2018 Milk Products Segment operates two plants in Samara and Ulyanovsk Regions. It produces dry industrial mixes, cheeses, butter and cream. Consumer products are sold under three brands, which are Milie, Buterbrodnoe utro and Srynaya Kultura.



## **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.*

**Rusagro management is organizing a conference call about its 9M and 3Q 2020 financial results for investors and analysts.**

*Details of the call:*

Date	16 November 2020
Time	4:00 PM (Moscow) / 1:00 PM (London)
Subject	ROS AGRO PLC 3Q 2020 Financial results
UK Toll Free	0 800 376 61 83
UK Local Line	+44 207 194 37 59
USA Toll Free	1 844 286 06 43
Russia Toll Free	8 800 500 98 63
Russian Local Line	+7 495 646 93 15
Conference ID	<b>11257377#</b>

### **Contacts:**

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**Appendix 1. Consolidated statement of comprehensive income for the Nine and Three months ended 30 September 2020 (in RR thousand)**

	Nine months ended 30 September		Three months ended 30 September	
	2020	2019	2020	2019
Sales	108,762,201	99,076,027	37,526,390	33,755,783
Net gain/(loss) on revaluation of biological assets and agricultural produce	5,428,963	(3,284,330)	5,810,291	626,763
Cost of sales	(83,213,519)	(80,340,888)	(27,764,364)	(28,080,203)
Net gain/(loss) from trading derivatives	10,552	(5,145)	(4)	678
<b>Gross profit</b>	<b>30,988,197</b>	<b>15,445,664</b>	<b>15,572,313</b>	<b>6,303,021</b>
Distribution and selling expenses	(6,507,851)	(6,959,034)	(2,192,283)	(2,040,778)
General and administrative expenses	(5,485,491)	(5,128,268)	(1,803,461)	(1,672,670)
Other operating income/ (expenses), net	57,435	(375,235)	230,584	541
Other non-operating income/ (expenses), net	1,325,009	1,122,538	(291,640)	63,276
<b>Operating profit / (loss)</b>	<b>20,377,299</b>	<b>4,105,665</b>	<b>11,515,513</b>	<b>2,653,390</b>
Interest expense	(3,720,171)	(3,917,730)	(1,137,894)	(1,216,575)
Interest income	4,629,848	6,012,123	1,058,041	2,016,116
Net (loss)/gain from bonds	(15,977)	(20,649)	1,025	1,866
Other financial income/ (expenses), net	(1,491,564)	(418,704)	(140,318)	(336,599)
<b>Profit before income tax</b>	<b>19,779,435</b>	<b>5,760,705</b>	<b>11,296,367</b>	<b>3,118,198</b>
Income tax expense	(761,848)	(148,517)	(278,776)	(73,773)
<b>Profit for the period</b>	<b>19,017,587</b>	<b>5,612,188</b>	<b>11,017,591</b>	<b>3,044,425</b>
<b>Other comprehensive income</b>				
<b>Total comprehensive income for the period</b>	<b>19,017,587</b>	<b>5,612,188</b>	<b>11,017,591</b>	<b>3,044,425</b>
<b>Profit is attributable to:</b>				
Owners of ROS AGRO PLC	19,057,563	5,695,968	11,022,734	3,105,618
Non-controlling interest	(39,976)	(83,780)	(5,143)	(61,193)
<b>Profit for the period</b>	<b>19,017,587</b>	<b>5,612,188</b>	<b>11,017,591</b>	<b>3,044,425</b>
<b>Total comprehensive income is attributable to:</b>				
Owners of ROS AGRO PLC	19,057,563	5,695,968	11,022,734	3,105,618
Non-controlling interest	(39,976)	(83,780)	(5,143)	(61,193)
<b>Total comprehensive income for the period</b>	<b>19,017,587</b>	<b>5,612,188</b>	<b>11,017,591</b>	<b>3,044,425</b>
Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share)	708.33	211.75	409.67	115.45

**Appendix 2. Segment information for the Nine months ended 30 September 2020 (in RR thousand)**

<b>9M 2020</b>	<b>Sugar</b>	<b>Meat</b>	<b>Agriculture</b>	<b>Oil and Fat</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
Sales	21,078,432	22,846,644	14,751,307	51,952,757	3,161,373	(5,028,312)	108,762,201
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	823,030	3,638,467	-	-	967,466	5,428,963
Cost of sales	(15,716,077)	(18,375,571)	(9,133,386)	(40,890,601)	(2,778,083)	3,680,199	(83,213,519)
<i>incl. Depreciation</i>	<i>(1,961,133)</i>	<i>(2,552,374)</i>	<i>(1,561,901)</i>	<i>(353,134)</i>	<i>(8,936)</i>	<i>(15,048)</i>	<i>(6,452,526)</i>
Net loss from trading derivatives	10,552	-	-	-	-	-	10,552
<b>Gross profit / (loss)</b>	<b>5,372,907</b>	<b>5,294,103</b>	<b>9,256,388</b>	<b>11,062,156</b>	<b>383,290</b>	<b>(380,647)</b>	<b>30,988,197</b>
Distribution and Selling, General and administrative expenses	(2,532,701)	(1,822,449)	(2,400,957)	(4,266,472)	(1,625,093)	654,330	(11,993,342)
<i>incl. Depreciation</i>	<i>(60,979)</i>	<i>(161,437)</i>	<i>(197,050)</i>	<i>(125,459)</i>	<i>(133,679)</i>	<i>15,048</i>	<i>(663,556)</i>
Other operating income/(expenses), net	143,038	117,204	40,012	118,699	(20,695)	(340,823)	57,435
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>72,170</i>	<i>63,118</i>	<i>110,709</i>	<i>240,315</i>	<i>-</i>	<i>-</i>	<i>486,312</i>
Other non-operating income/(expenses), net	490,447	279,059	81,433	(355,405)	9,127,940	(8,298,465)	1,325,009
<i>incl. Reimbursement of non-operating costs (government grants)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Operating profit / (loss)</b>	<b>3,473,691</b>	<b>3,867,917</b>	<b>6,976,876</b>	<b>6,558,978</b>	<b>7,865,442</b>	<b>(8,365,605)</b>	<b>20,377,299</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	2,022,112	2,713,811	1,758,951	478,593	142,615	-	7,116,082
Other non-operating (income) /expenses, net	(490,447)	(279,059)	(81,433)	355,405	(9,127,940)	8,298,465	(1,325,009)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(823,030)	(3,638,467)	-	-	(967,466)	(5,428,963)
<b>Adjusted EBITDA*</b>	<b>5,005,356</b>	<b>5,479,639</b>	<b>5,015,927</b>	<b>7,392,976</b>	<b>(1,119,883)</b>	<b>(1,034,606)</b>	<b>20,739,409</b>

\* Non-IFRS measure

**Appendix 2 (continued). Segment information for the Nine months ended 30 September 2019 (in RR thousand)**

<b>9M 2019</b>	<b>Sugar</b>	<b>Meat</b>	<b>Agriculture</b>	<b>Oil and Fat</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
Sales	23,241,962	18,295,504	15,041,099	44,578,652	3,052,465	(5,133,655)	99,076,027
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(455,968)	(2,244,641)	-	-	(583,721)	(3,284,330)
Cost of sales	(19,935,916)	(15,117,184)	(9,852,344)	(39,027,780)	(2,677,219)	6,269,555	(80,340,888)
<i>incl. Depreciation</i>	(1,446,071)	(1,761,631)	(1,648,801)	(354,396)	(9,606)	(11,212)	(5,231,717)
Net gain/ (loss) from trading derivatives	(5,139)	-	-	-	(6)	-	(5,145)
<b>Gross profit</b>	<b>3,300,907</b>	<b>2,722,352</b>	<b>2,944,114</b>	<b>5,550,872</b>	<b>375,240</b>	<b>552,179</b>	<b>15,445,664</b>
Distribution and Selling, General and administrative expenses	(2,392,048)	(1,432,950)	(2,950,049)	(4,294,934)	(1,369,560)	352,239	(12,087,302)
<i>incl. Depreciation</i>	(56,815)	(93,754)	(196,070)	(102,845)	(54,815)	11,212	(493,087)
Other operating income/(expenses), net	58,941	(43,030)	(86,737)	(215,553)	(88,856)	-	(375,235)
<i>incl. Reimbursement of operating costs (government grants)</i>	53,088	49,631	99,939	-	-	-	202,658
Other non-operating income/(expenses), net	453,264	171,157	(16,533)	5,995	11,411,050	(10,902,395)	1,122,538
<i>incl. Reimbursement of non-operating costs (government grants)</i>	-	-	-	-	-	-	-
<b>Operating profit / (loss)</b>	<b>1,421,064</b>	<b>1,417,529</b>	<b>(109,205)</b>	<b>1,046,380</b>	<b>10,327,874</b>	<b>(9,997,977)</b>	<b>4,105,665</b>
<b>Adjustments:</b>							-
Depreciation included in Operating Profit	1,502,886	1,855,385	1,844,871	457,241	64,421	-	5,724,804
Other non-operating (income) /expenses, net	(453,264)	(171,157)	16,533	(5,995)	(11,411,050)	10,902,395	(1,122,538)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	455,968	2,244,641	-	-	583,721	3,284,330
<b>Adjusted EBITDA*</b>	<b>2,470,686</b>	<b>3,557,725</b>	<b>3,996,840</b>	<b>1,497,626</b>	<b>(1,018,755)</b>	<b>1,488,139</b>	<b>11,992,261</b>

\* Non-IFRS measure

**Appendix 3. Consolidated statement of financial position as at 30 September 2020  
(in RR thousand)**

	<b>30 September 2020</b>	<b>31 December 2019</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	9,652,679	2,170,779
Restricted cash	52	39
Short-term investments	1,687,323	23,456,552
Trade and other receivables	7,618,100	8,068,349
Prepayments	3,454,592	3,018,658
Current income tax receivable	474,461	225,315
Other taxes receivable	3,199,495	4,349,400
Inventories and short-term biological assets	51,755,921	49,386,797
<b>Total current assets</b>	<b>77,842,623</b>	<b>90,675,889</b>
<b>Non-current assets</b>		
Property, plant and equipment	85,098,263	80,629,483
Inventories intended for construction	3,903,105	3,157,369
Right-of-use assets	6,888,924	6,230,707
Goodwill	2,364,942	2,364,942
Advances paid for non-current assets	7,371,027	8,721,155
Long-term biological assets	2,732,872	2,279,335
Long-term investments and receivables	64,997,580	42,636,323
Investments in associates	228,070	165,070
Deferred income tax assets	3,248,075	1,852,983
Other intangible assets	571,020	608,635
Other non-current assets	235,149	173,002
<b>Total non-current assets</b>	<b>177,639,027</b>	<b>148,819,004</b>
<b>Total assets</b>	<b>255,481,650</b>	<b>239,494,893</b>
<b>LIABILITIES and EQUITY</b>		
<b>Current liabilities</b>		
Short-term borrowings	28,589,753	31,834,699
Lease liabilities	701,134	916,791
Trade and other payables	18,894,035	17,492,614
Current income tax payable	19,235	123,846
Other taxes payable	2,773,884	3,468,034
<b>Total current liabilities</b>	<b>50,978,041</b>	<b>53,835,984</b>
<b>Non-current liabilities</b>		
Long-term borrowings	68,329,920	66,040,784
Government grants	8,714,343	8,306,779
Lease liabilities	4,931,370	3,989,801
Deferred income tax liability	1,822,205	494,977
<b>Total non-current liabilities</b>	<b>83,797,838</b>	<b>78,832,341</b>
<b>Total liabilities</b>	<b>134,775,879</b>	<b>132,668,325</b>
<b>Equity</b>		
Share capital	12,269	12,269
Treasury shares	(490,607)	(490,607)
Additional paid-in capital	26,964,479	26,964,479
Other reserves	1,313,691	1,313,691
Retained earnings	92,882,814	78,960,843
<b>Equity attributable to owners of ROS AGRO PLC</b>	<b>120,682,646</b>	<b>106,760,675</b>
Non-controlling interest	23,125	65,893
<b>Total equity</b>	<b>120,705,771</b>	<b>106,826,568</b>
<b>Total liabilities and equity</b>	<b>255,481,650</b>	<b>239,494,893</b>

**Appendix 4. Consolidated statement of cash flows for the Nine months ended 30 September 2020 (in RR thousand) – NOT IFRS PRESENTATION (\*)**

	Nine months ended	
	30 September 2020	30 September 2019
<b>Cash flows from operating activities</b>		
Profit before income tax	19,779,435	5,760,705
<i>Adjustments for:</i>		
Depreciation and amortization	7,116,082	5,724,804
Interest expense	4,890,502	4,845,680
Government grants	(2,137,782)	(1,479,913)
Interest income	(4,629,848)	(6,012,123)
Loss / (gain) on disposal of property, plant and equipment	(75,710)	35,785
Net (gain) / loss on revaluation of biological assets and agricultural produce	(5,428,963)	3,284,330
Lease finance expense	359,122	437,627
Realised deferred day-one gain	(780,723)	(538,803)
Change in provision for net realisable value of inventory	351,315	335,458
Change in provision for impairment of receivables and prepayments	31,234	91,244
Foreign exchange (gain) / loss, net	1,525,153	50,650
Lost harvest write-off	189,841	101,327
Net (gain) / loss from bonds held for trading	15,977	20,649
Settlement of loans and accounts receivable previously written-off	(2)	(160)
Change in provision for impairment of advances paid for property, plant and equipment	(23,168)	19,642
Dividend income	(186,506)	-
Gain on sale of subsidiaries, net	-	(364,880)
Loss / (gain) on other investments	-	(144,302)
Other non-cash and non-operating expenses, net	(80,857)	292,887
<b>Operating cash flow before working capital changes</b>	<b>20,915,102</b>	<b>12,460,607</b>
Change in trade and other receivables and prepayments	(481,067)	(1,900,204)
Change in other taxes receivable	1,149,905	569,949
Change in inventories and short-term biological assets	2,625,194	6,653,520
Change in trade and other payables	2,092,873	10,456,524
Change in other taxes payable	(639,320)	347,273
<b>Cash generated from operations</b>	<b>25,662,687</b>	<b>28,587,669</b>
Income tax paid	(986,154)	43,196
<b>Net cash from operating activities</b>	<b>24,676,533</b>	<b>28,630,865</b>

**Appendix 4 (continued). Consolidated statement of cash flows the Nine months ended 30 September 2020 (in RR thousand) – NOT IFRS PRESENTATION (\*)**

	Nine months	
	30 September 2020	30 September 2019
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(8,707,154)	(11,810,722)
Purchases of other intangible assets	(335,686)	(257,819)
Proceeds from sales of property, plant and equipment	375,220	169,621
Purchases of inventories intended for construction	(1,383,337)	(579,313)
Purchases of investments in third parties	-	(8,500,000)
Purchases of associates	(63,000)	(73,150)
Dividends received	186,506	-
Movement in restricted cash	-	(242,491)
Proceeds from sale of subsidiaries, net of cash disposed	-	478,710
Proceeds from sales of other investments	-	145,000
Other investing activities	61,211	-
<b>Net cash from investing activities</b>	<b>(9,866,240)</b>	<b>(20,670,164)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	38,830,604	32,885,674
Repayment of borrowings	(43,477,527)	(40,909,438)
Interest and other finance cost paid	(2,960,414)	(3,519,091)
Change in cash on bank deposits*	-	2,594,903
Proceeds from sales of bonds with maturity over three months*	-	2,323,560
Proceeds from sales of promissory notes*	-	100,000
Purchases of loan issued*	(8,191)	(188,649)
Loans repaid*	910,270	1,864,389
Interest received*	2,757,453	2,883,286
Proceeds from government grants	1,490,823	915,104
Dividends paid to owners Ros Agro PLC	(5,134,426)	(3,401,658)
(Repayment)/proceeds of lease liabilities-principal	(28,111)	(154,834)
<b>Net cash from financing activities</b>	<b>(7,619,519)</b>	<b>(4,606,754)</b>
Net effect of exchange rate changes on cash and cash equivalents	291,126	(114,226)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>7,481,900</b>	<b>3,239,721</b>
Cash and cash equivalents at the beginning of the period	2,170,779	1,728,396
<b>Cash and cash equivalents at the end of the period</b>	<b>9,652,679</b>	<b>4,968,117</b>

(\*) 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.