



13 March 2019

## ROS AGRO financial results for 12M 2018 and Q4 2018

**13 March 2019** – 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 year ended 31 December 2018.

### 12M 2018 Highlights

- Sales amounted to RR 82,978 million (US\$ 1,319 million<sup>1</sup>), an increase of RR 3,920 million compared to 12M 2017;
- Adjusted EBITDA<sup>2</sup> amounted to RR 16,179 million (US\$ 257 million), an increase of RR 2,224 million compared to 12M 2017;
- Adjusted EBITDA margin increased from 18% in 12M 2017 to 19% in 12M 2018;
- Net profit for the period amounted to RR 12,828 million (US\$ 204 million);
- Net debt position<sup>3</sup> as of 31 December 2018 amounted to RR 54,342 million (US\$ 782 million);
- Net Debt/ Adjusted EBITDA (LTM<sup>4</sup>) as of 31 December 2018 was 3.36x.

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

“In Q4 2018 ROS AGRO revenue increased compared to Q3 2018 due to the rising prices of agriculture products and increased volume in oil and fat business. EBITDA improved in all business units besides sugar where company decided to sell more sugar later. Net income of the company increased as well as capital expenditures. Net debt increased following Solpro acquisition and decision to sell more crop and sugar late in the season. Oil and fat division returned to profitability with good outlook for the rest of 2019 due to M&A activity.”

### Key consolidated financial performance indicators

| in RR million                    | Year ended    |               | Variance     |            | Three months ended |               | Variance       |             |
|----------------------------------|---------------|---------------|--------------|------------|--------------------|---------------|----------------|-------------|
|                                  | 31            | 31            | Units        | %          | 31                 | 31            | Units          | %           |
|                                  | December      | December      |              |            | December           | December      |                |             |
|                                  | 2018          | 2017          |              |            | 2018               | 2017          |                |             |
| <b>Sales</b>                     | <b>82,978</b> | <b>79,058</b> | <b>3,920</b> | <b>5</b>   | <b>30,777</b>      | <b>24,229</b> | <b>6,548</b>   | <b>27</b>   |
| <b>Gross profit</b>              | <b>24,158</b> | <b>17,955</b> | <b>6,203</b> | <b>35</b>  | <b>5,105</b>       | <b>7,186</b>  | <b>(2,081)</b> | <b>(29)</b> |
| <i>Gross margin, %</i>           | <i>29%</i>    | <i>23%</i>    | <i>6%</i>    |            | <i>17%</i>         | <i>30%</i>    | <i>-13%</i>    |             |
| <b>Adjusted EBITDA</b>           | <b>16,179</b> | <b>13,955</b> | <b>2,224</b> | <b>16</b>  | <b>5,829</b>       | <b>5,417</b>  | <b>411</b>     | <b>8</b>    |
| <i>Adjusted EBITDA margin, %</i> | <i>19%</i>    | <i>18%</i>    | <i>1%</i>    |            | <i>19%</i>         | <i>22%</i>    | <i>-3%</i>     |             |
| <b>Net profit for the period</b> | <b>12,828</b> | <b>5,563</b>  | <b>7,265</b> | <b>131</b> | <b>3,771</b>       | <b>2,474</b>  | <b>1,297</b>   | <b>52</b>   |
| <i>Net profit margin %</i>       | <i>15%</i>    | <i>7%</i>     | <i>10%</i>   |            | <i>13%</i>         | <i>10%</i>    | <i>3%</i>      |             |

## Key financial performance indicators by segments

| in RR million                        | Year ended             |                        | Variance     |           | Three months ended     |                        | Variance       |             |
|--------------------------------------|------------------------|------------------------|--------------|-----------|------------------------|------------------------|----------------|-------------|
|                                      | 31<br>December<br>2018 | 31<br>December<br>2017 | Units        | %         | 31<br>December<br>2018 | 31<br>December<br>2017 | Units          | %           |
| <b>Sales, incl.</b>                  | <b>82,978</b>          | <b>79,058</b>          | <b>3,920</b> | <b>5</b>  | <b>30,777</b>          | <b>24,229</b>          | <b>6,548</b>   | <b>27</b>   |
| <i>Sugar</i>                         | 24,082                 | 30,386                 | (6,304)      | (21)      | 6,649                  | 9,393                  | (2,744)        | (29)        |
| <i>Meat</i>                          | 22,350                 | 20,512                 | 1,838        | 9         | 6,966                  | 5,321                  | 1,645          | 31          |
| <i>Agriculture</i>                   | 20,828                 | 18,768                 | 2,060        | 11        | 13,800                 | 10,709                 | 3,092          | 29          |
| <i>Oil and Fat</i>                   | 26,286                 | 19,430                 | 6,855        | 35        | 11,619                 | 5,213                  | 6,406          | 123         |
| <i>Other</i>                         | 1,187                  | 118                    | 1,070        | 908       | 362                    | 67                     | 295            | 440         |
| <i>Eliminations</i>                  | (11,756)               | (10,156)               | (1,600)      | (16)      | (8,621)                | (6,474)                | (2,147)        | (33)        |
| <b>Gross profit, incl.</b>           | <b>24,158</b>          | <b>17,955</b>          | <b>6,203</b> | <b>35</b> | <b>4,259</b>           | <b>7,186</b>           | <b>(2,926)</b> | <b>(41)</b> |
| <i>Sugar</i>                         | 6,632                  | 8,090                  | (1,458)      | (18)      | 1,906                  | 3,481                  | (1,576)        | (45)        |
| <i>Meat</i>                          | 5,910                  | 5,060                  | 850          | 17        | 1,238                  | 1,652                  | (414)          | (25)        |
| <i>Agriculture</i>                   | 8,848                  | 2,591                  | 6,257        | 241       | 2,123                  | 1,308                  | 815            | 62          |
| <i>Oil and Fat</i>                   | 4,931                  | 3,551                  | 1,380        | 39        | 1,411                  | 1,371                  | 40             | 3           |
| <i>Other</i>                         | 236                    | 118                    | 119          | 101       | 98                     | 67                     | 30             | 45          |
| <i>Eliminations</i>                  | (2,401)                | (1,455)                | (945)        | (65)      | (1,670)                | (694)                  | (976)          | (141)       |
| <b>Adjusted EBITDA, incl.</b>        | <b>16,179</b>          | <b>13,955</b>          | <b>2,224</b> | <b>16</b> | <b>5,829</b>           | <b>5,417</b>           | <b>412</b>     | <b>8</b>    |
| <i>Sugar</i>                         | 4,882                  | 5,488                  | (606)        | (11)      | 1,273                  | 2,578                  | (1,305)        | (51)        |
| <i>Meat</i>                          | 6,992                  | 6,269                  | 723          | 12        | 1,794                  | 1,779                  | 15             | 1           |
| <i>Agriculture</i>                   | 4,981                  | 76                     | 4,905        | 6,424     | 3,943                  | 21                     | 3,922          | 18,652      |
| <i>Oil and Fat</i>                   | 2,872                  | 685                    | 2,187        | 319       | 1,088                  | 639                    | 449            | 70          |
| <i>Other</i>                         | (566)                  | (923)                  | 357          | 39        | 153                    | (194)                  | 347            | -           |
| <i>Eliminations</i>                  | (2,982)                | 2,359                  | (5,341)      | -         | (2,421)                | 595                    | (3,016)        | -           |
| <b>Adjusted EBITDA<br/>margin, %</b> | <b>19%</b>             | <b>18%</b>             | <b>1%</b>    |           | <b>19%</b>             | <b>22%</b>             | <b>-3%</b>     |             |
| <i>Sugar</i>                         | 20%                    | 18%                    | 2%           |           | 21%                    | 27%                    | -6%            |             |
| <i>Meat</i>                          | 31%                    | 31%                    | 0%           |           | 26%                    | 33%                    | -7%            |             |
| <i>Agriculture</i>                   | 24%                    | 0%                     | 24%          |           | 29%                    | 0%                     | 29%            |             |
| <i>Oil and Fat</i>                   | 11%                    | 4%                     | 7%           |           | 9%                     | 12%                    | -3%            |             |

## Sugar Segment

The financial results of the sugar segment for 12M 2018 and Q4 2018 compared to 12M 2017 and Q4 2017 respectively are presented in the table below:

| in RR million                             | Year ended             |                        | Variance       |             | Three months ended     |                        | Variance       |             |
|---|------------------------|------------------------|----------------|-------------|------------------------|------------------------|----------------|-------------|
|   | 31<br>December<br>2018 | 31<br>December<br>2017 | Units          | %           | 31<br>December<br>2018 | 31<br>December<br>2017 | Units          | %           |
| Sales                                     | 24,082                 | 30,386                 | (6,304)        | (21)        | 6,649                  | 9,393                  | (2,744)        | (29)        |
| Cost of sales                             | (17,458)               | (22,284)               | 4,826          | 22          | (4,746)                | (5,911)                | 1,164          | 20          |
| Net gain/ (loss) from trading derivatives | 9                      | (11)                   | 20             | -           | 3                      | (1)                    | 4              | -           |
| <b>Gross profit</b>                       | <b>6,632</b>           | <b>8,090</b>           | <b>(1,458)</b> | <b>(18)</b> | <b>1,906</b>           | <b>3,481</b>           | <b>(1,576)</b> | <b>(45)</b> |
| <i>Gross profit margin</i>                | <i>27%</i>             | <i>27%</i>             | <i>0%</i>      |             | <i>29%</i>             | <i>37%</i>             | <i>-8%</i>     |             |
| Distribution and selling expenses         | (2,224)                | (2,871)                | 647            | 23          | (686)                  | (1,010)                | 324            | 32          |
| General and administrative expenses       | (1,580)                | (1,501)                | (79)           | (5)         | (376)                  | (368)                  | (8)            | (2)         |
| Other operating income/ (expenses), net   | 2,910                  | (8)                    | 2,918          | -           | (468)                  | 64                     | (532)          | -           |
| <b>Operating profit</b>                   | <b>5,738</b>           | <b>3,710</b>           | <b>2,027</b>   | <b>55</b>   | <b>375</b>             | <b>2,168</b>           | <b>(1,792)</b> | <b>(83)</b> |
| <b>Adjusted EBITDA</b>                    | <b>4,882</b>           | <b>5,488</b>           | <b>(606)</b>   | <b>(11)</b> | <b>1,273</b>           | <b>2,578</b>           | <b>(1,305)</b> | <b>(51)</b> |
| <i>Adjusted EBITDA margin</i>             | <i>20%</i>             | <i>18%</i>             | <i>2%</i>      |             | <i>21%</i>             | <i>27%</i>             | <i>-6%</i>     |             |

*Sales revenue* decreased in 12M 2018 compared to 12M 2017 because of sales volume decrease mainly due to the transfer of the sales to the spring and summer 2019.

*Sales revenue* decreased in Q4 2018 compared to Q4 2017 mainly due to decrease in sales volume of sugar.

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

|  | Year ended             |                        | Variance |      | Three months ended     |                        | Variance |      |
|--|------------------------|------------------------|----------|------|------------------------|------------------------|----------|------|
|  | 31<br>December<br>2018 | 31<br>December<br>2017 | Units    | %    | 31<br>December<br>2018 | 31<br>December<br>2017 | Units    | %    |
| Sugar production volume (in thousand tons), incl. beet sugar | 773                    | 984                    | (212)    | (22) | 535                    | 637                    | (102)    | (16) |
| Sales volume (in thousand tons)                              | 702                    | 900                    | (198)    | (22) | 140                    | 316                    | (176)    | (56) |
| Average sales price (roubles per kg, excl. VAT)              | 30.6                   | 30.6                   | 0.1      | 0    | 34.9                   | 25.9                   | 9.0      | 35   |

*Distribution and selling expenses* in 12M 2018 compared to 12M 2017 decreased by RR 647 million mainly due to transportation and loading expenses. Changes in transportation expenses related to sales volume decrease.

An increase in *General and administrative expenses* in 12M 2018 by RR 79 million compared to the respective period of 2017 includes RR 79 million of an increase at the level of inflation.

## Meat Segment

The financial results of the meat segment for 12M 2018 and Q4 2018 compared to 12M 2017 and Q4 2017 respectively are presented in the table below:

| in RR million  | Year ended             |                        | Variance    |             | Three months ended     |                        | Variance     |             |
|--|------------------------|------------------------|-------------|-------------|------------------------|------------------------|--------------|-------------|
|  | 31<br>December<br>2018 | 31<br>December<br>2017 | Units       | %           | 31<br>December<br>2018 | 31<br>December<br>2017 | Units        | %           |
| Sales  | 22,350                 | 20,512                 | 1,838       | 9           | 6,966                  | 5,321                  | 1,645        | 31          |
| Net gain/ (loss) on<br>revaluation of biological<br>assets and agricultural<br>produce | (542)                  | (319)                  | (223)       | (70)        | (490)                  | 53                     | (542)        | -           |
| Cost of sales  | (15,897)               | (15,133)               | (764)       | (5)         | (5,239)                | (3,722)                | (1,517)      | (41)        |
| <b>Gross profit</b>  | <b>5,910</b>           | <b>5,060</b>           | <b>850</b>  | <b>17</b>   | <b>1,238</b>           | <b>1,652</b>           | <b>(414)</b> | <b>(25)</b> |
| <i>Gross profit margin</i>   | <i>26%</i>             | <i>25%</i>             | <i>2%</i>   |             | <i>18%</i>             | <i>31%</i>             | <i>-13%</i>  |             |
| <i>Gross profit excl. effect<br/>of biological assets<br/>revaluation</i>              | 6,453                  | 5,379                  | 1,074       | 20          | 1,727                  | 1,599                  | 128          | 8           |
| <i>Adjusted gross profit<br/>margin</i>  | <i>29%</i>             | <i>26%</i>             | <i>3%</i>   |             | <i>25%</i>             | <i>30%</i>             | <i>-5%</i>   |             |
| Distribution and selling<br>expenses   | (669)                  | (439)                  | (230)       | (52)        | (193)                  | (138)                  | (55)         | (39)        |
| General and<br>administrative expenses   | (1,029)                | (661)                  | (368)       | (56)        | (332)                  | (207)                  | (125)        | (60)        |
| Other operating income/<br>(expenses), net   | 662                    | 236                    | 426         | 181         | 570                    | 35                     | 535          | 1,524       |
| <i>incl. reimbursement of<br/>operating costs<br/>(government grants)</i>              | <i>26</i>              | <i>42</i>              | <i>(16)</i> | <i>(39)</i> | <i>4</i>               | <i>19</i>              | <i>(16)</i>  | <i>(81)</i> |
| <b>Operating profit</b>  | <b>4,874</b>           | <b>4,196</b>           | <b>679</b>  | <b>16</b>   | <b>1,283</b>           | <b>1,342</b>           | <b>(59)</b>  | <b>(4)</b>  |
| <b>Adjusted EBITDA</b>   | <b>6,992</b>           | <b>6,269</b>           | <b>723</b>  | <b>12</b>   | <b>1,794</b>           | <b>1,779</b>           | <b>15</b>    | <b>1</b>    |
| <i>Adjusted EBITDA<br/>margin</i>  | <i>31%</i>             | <i>31%</i>             | <i>1%</i>   |             | <i>26%</i>             | <i>33%</i>             | <i>-8%</i>   |             |

Sales in the meat segment increased by 9% in 12M 2018 compared to the respective period of prior year because of an increase in sales volume of processed pork and an increase in sales prices processed pork.

Sales in the meat segment increased by 31% in Q4 2018 compared to the respective periods of prior year because of an increase in sales volume and sales price of processed pork.

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

|  | Year ended             |                        | Variance    |            | Three months ended     |                        | Variance  |           |
|--|------------------------|------------------------|-------------|------------|------------------------|------------------------|-----------|-----------|
|  | 31<br>December<br>2018 | 31<br>December<br>2017 | Units       | %          | 31<br>December<br>2018 | 31<br>December<br>2017 | Units     | %         |
| Sales volume (in<br>thousand tonnes), incl.            | <b>163</b>             | <b>173</b>             | <b>(10)</b> | <b>(6)</b> | <b>53</b>              | <b>43</b>              | <b>10</b> | <b>23</b> |
| livestock pigs   | 27                     | 57                     | (30)        | (53)       | 9                      | 12                     | (3)       | 33        |
| processed pork   | 138                    | 118                    | 20          | 17         | 41                     | 35                     | 7         | 21        |
| Average sale prices<br>(roubles per kg, excl.<br>VAT): |                        |                        |             |            |                        |                        |           |           |

|                | Year ended             |                        | Variance |     | Three months ended     |                        | Variance |    |
|----------------|------------------------|------------------------|----------|-----|------------------------|------------------------|----------|----|
|                | 31<br>December<br>2018 | 31<br>December<br>2017 | Units    | %   | 31<br>December<br>2018 | 31<br>December<br>2017 | Units    | %  |
| livestock pigs | 88.7                   | 94.9                   | (6.2)    | (7) | 90.7                   | 85.8                   | (4.9)    | 6  |
| processed pork | 147.2                  | 127.3                  | 19.9     | 16  | 166.3                  | 124.9                  | 41.4     | 33 |

*Net loss on revaluation of biological assets and agricultural produce* in 12M 2018 resulted mainly from a decrease in market prices for live pigs during 12M 2018 and a respective decrease in fair value of livestock in the closing balance compared to the beginning of the year. In 12M 2017 an increase in live pigs market prices was accompanied by an increase in cost due to higher grain and other feed components prices. An increase in net loss from the revaluation of biological assets in Q4 2018 against Q4 2017 is attributed to a decrease in prices for live pigs during Q4 2017.

An increase in *Distribution and selling expenses* in 12M 2018 and Q4 2018 compared to prior year periods includes an increase in transportation costs as a result of higher sales volume of processed pork, an increase in payroll costs related to growth in staff of logistic department.

An increase in *General and administrative expenses* in 12M 2018 by RR 368 million includes RR 84 million of an increase in payroll costs mainly due to the buying of Capital Agro Group of companies, and RR 155 million of an increase in property tax expenses, RR 33 million of an increase in depreciation .

*General and administrative expenses increased* in Q4 2018 compared to Q4 2017 by RR 125 million due to an increase in payroll expenses (M&A activity during 2018Y).

*Other operating income, net* includes income from reimbursement of operating expenses (government grants), which is lower by RR 16 million in 12M 2018 compared to the prior year periods.

## Agricultural Segment

As at 31 December 2018 the segment's area of controlled land stands at 652 thousand hectares (31 December 2017: 675 thousand hectares). The financial results of the agricultural segment for 12M 2018 and Q4 2018 compared to 12M 2017 and Q4 2017 respectively are presented below:

| in RR million  | Year ended       |                  | Variance     |              | Three months ended |                  | Variance     |               |
|--|------------------|------------------|--------------|--------------|--------------------|------------------|--------------|---------------|
|  | 31 December 2018 | 31 December 2017 | Units        | %            | 31 December 2018   | 31 December 2017 | Units        | %             |
| Sales  | 20,828           | 18,768           | 2,060        | 11           | 13,800             | 10,709           | 3,092        | 29            |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce              | 2,313            | (862)            | 3,175        | -            | (1,952)            | (632)            | (1,321)      | (209)         |
| Cost of sales  | (14,293)         | (15,315)         | 1,022        | 7            | (9,725)            | (8,769)          | (956)        | (11)          |
| Net gain/ (loss) from trading derivatives  | -                | -                | -            | -            | -                  | -                | -            | -             |
| <b>Gross profit</b>  | <b>8,848</b>     | <b>2,591</b>     | <b>6,257</b> | <b>241</b>   | <b>2,123</b>       | <b>1,308</b>     | <b>815</b>   | <b>62</b>     |
| <i>Gross profit margin</i>   | <i>42%</i>       | <i>14%</i>       | <i>29%</i>   |              | <i>15%</i>         | <i>12%</i>       | <i>3%</i>    |               |
| <i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i> | 6,535            | 3,453            | 3,082        | 89           | 4,075              | 1,939            | 2,136        | 110           |
| <i>Adjusted gross profit margin</i>  | <i>31%</i>       | <i>18%</i>       | <i>13%</i>   |              | <i>30%</i>         | <i>18%</i>       | <i>11%</i>   |               |
| Distribution and selling expenses  | (2,360)          | (4,249)          | 1,888        | 44           | (1,079)            | (2,607)          | 1,527        | 59            |
| General and administrative expenses  | (1,302)          | (1,088)          | (214)        | (20)         | (385)              | (369)            | (16)         | (4)           |
| Other operating income/ (expenses), net  | (233)            | 28               | (261)        | -            | (225)              | (8)              | (217)        | (2,716)       |
| <i>incl. reimbursement of operating costs (government grants)</i>                          | 124              | 62               | 62           | 101          | 47                 | 20               | 27           | 132           |
| <b>Operating profit</b>  | <b>4,952</b>     | <b>(2,718)</b>   | <b>7,670</b> | <b>-</b>     | <b>433</b>         | <b>(1,676)</b>   | <b>2,109</b> | <b>-</b>      |
| <b>Adjusted EBITDA</b>   | <b>4,981</b>     | <b>76</b>        | <b>4,904</b> | <b>6,424</b> | <b>3,943</b>       | <b>21</b>        | <b>3,922</b> | <b>18,652</b> |
| <i>Adjusted EBITDA</i>   | <i>24%</i>       | <i>0%</i>        | <i>24%</i>   |              | <i>29%</i>         | <i>0%</i>        | <i>28%</i>   |               |

A significant increase in sales prices had the main positive impact on higher *Sales* in 12M 2018 and Q4 2018 compared to 12M 2017 and Q4 2017.

Sales volumes by product were as follows:

| Thousand tonnes | Year ended       |                  | Variance |      | Three months ended |                  | Variance |      |
|-----------------|------------------|------------------|----------|------|--------------------|------------------|----------|------|
|                 | 31 December 2018 | 31 December 2017 | Units    | %    | 31 December 2018   | 31 December 2017 | Units    | %    |
| sugar beet      | 3,489            | 3,957            | (468)    | (12) | 2,509              | 2,472            | 38       | 2    |
| wheat           | 510              | 710              | (200)    | (28) | 418                | 402              | 16       | 4    |
| barley          | 152              | 193              | (42)     | (22) | 37                 | 113              | (76)     | (68) |
| sunflower seeds | 54               | 84               | (31)     | (36) | 50                 | 35               | 15       | 42   |
| corn            | 109              | 105              | 4        | 4    | 30                 | 30               | (1)      | (2)  |
| soy             | 91               | 169              | (78)     | (46) | 57                 | 118              | (62)     | (52) |

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

| RR per kilogram, excl.<br>VAT | Year ended       |                  | Variance |    | Three months ended |                  | Variance |     |
|-------------------------------|------------------|------------------|----------|----|--------------------|------------------|----------|-----|
|                               | 31               | 31               | Units    | %  | 31                 | 31               | Units    | %   |
|                               | December<br>2018 | December<br>2017 |          |    | December<br>2018   | December<br>2017 |          |     |
| sugar beet                    | 2.5              | 1.8              | 0.7      | 37 | 2.6                | 1.7              | 0.8      | 47  |
| wheat                         | 8.9              | 6.1              | 2.8      | 46 | 9.2                | 5.8              | 3.4      | 58  |
| barley                        | 9.7              | 6.2              | 3.5      | 56 | 11.4               | 6.1              | 5.3      | 87  |
| sunflower seeds               | 18.6             | 17.1             | 1.5      | 9  | 18.7               | 19.1             | (0.4)    | (2) |
| corn                          | 10.1             | 7.9              | 2.2      | 27 | 11.7               | 6.4              | 5.3      | 83  |
| soybean                       | 23.5             | 20.0             | 3.5      | 18 | 24.2               | 20.1             | 4.0      | 20  |

*Net gain on revaluation of biological assets and agricultural produce* in 12M 2018 represents the gain recognised from revaluation of crops for 2018 harvest, which is turned over into the gain by the realisation of loss from revaluation of 2017 crops harvest remained in stock as at 31 December 2017 and being sold to customers during 2018. Significant increase in sales prices of crops in the current year resulted in the gain recognised on revaluation of the 2018 harvest against 2017.

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

*Distribution and selling expenses* decreased by RR 1,888 million or 44% in 12M 2018 and by RR 1,527 million or 59% in Q4 2018 against Q4 2017 due to decrease of sales volume of soybean and barley during the current year.

*General and administrative expenses* increased by RR 214 million in 12M 2018 (Q4 2018: RR 16 million) against comparatives in 2017, which is attributed to the higher payroll costs as a result of higher number of employees in administrative function. This is mainly due to the buying Vozrozdienie, OOO for the purpose of increasing the land bank.

*Other operating income* decreased in 12M 2018 against 2017 by RR 261 million mainly due to a loss on disposal of property, plant and equipment by RR 215 million and Operating foreign exchange gains and losses, net by RR 46 million.

## Oil and Fat segment

The financial results of the oil and fat segment for 12M 2018 and Q4 2018 compared to 12M 2017 and Q4 2017 respectively are presented below:

| in RR million                              | Year ended             |                        | Variance     |            | Three months ended     |                        | Variance    |           |
|--|------------------------|------------------------|--------------|------------|------------------------|------------------------|-------------|-----------|
|  | 31<br>December<br>2018 | 31<br>December<br>2017 | Units        | %          | 31<br>December<br>2018 | 31<br>December<br>2017 | Units       | %         |
| Sales                                      | 26,286                 | 19,430                 | 6,855        | 35         | 11,619                 | 5,213                  | 6,406       | 123       |
| Cost of sales                              | (21,355)               | (15,879)               | (5,476)      | (34)       | (10,207)               | (3,842)                | (6,366)     | (166)     |
| <b>Gross profit</b>                        | <b>4,931</b>           | <b>3,551</b>           | <b>1,380</b> | <b>39</b>  | <b>1,411</b>           | <b>1,371</b>           | <b>40</b>   | <b>3</b>  |
| <i>Gross profit margin</i>                 | <i>19%</i>             | <i>18%</i>             | <i>0%</i>    |            | <i>12%</i>             | <i>26%</i>             | <i>-14%</i> |           |
| Distribution and selling expenses          | (1,780)                | (2,653)                | 872          | 33         | (197)                  | (694)                  | 497         | 72        |
| General and administrative expenses        | (848)                  | (696)                  | (152)        | (22)       | (242)                  | (155)                  | (88)        | (57)      |
| Other operating income/<br>(expenses), net | 77                     | 128                    | (51)         | (40)       | 28                     | 36                     | (8)         | (22)      |
| <b>Operating profit/ (loss)</b>            | <b>2,380</b>           | <b>331</b>             | <b>2,049</b> | <b>620</b> | <b>1,001</b>           | <b>559</b>             | <b>442</b>  | <b>79</b> |
| <b>Adjusted EBITDA</b>                     | <b>2,872</b>           | <b>685</b>             | <b>2,187</b> | <b>319</b> | <b>1,088</b>           | <b>639</b>             | <b>449</b>  | <b>70</b> |
| <i>Adjusted EBITDA margin</i>              | <i>11%</i>             | <i>4%</i>              | <i>7%</i>    |            | <i>9%</i>              | <i>12%</i>             | <i>-3%</i>  |           |

The breakdown of Sales, Gross profit and Adjusted EBITDA between the Samara oil plant, the Ekaterinburg fat plant and Far East operations is as follows:

| in RR million                 | Year ended             |                        | Variance     |            | Three months ended     |                        | Variance     |            |
|-------------------------------|------------------------|------------------------|--------------|------------|------------------------|------------------------|--------------|------------|
|                               | 31<br>December<br>2018 | 31<br>December<br>2017 | Units        | %          | 31<br>December<br>2018 | 31<br>December<br>2017 | Units        | %          |
| <b>Sales, incl.</b>           | <b>26,286</b>          | <b>19,430</b>          | <b>6,855</b> | <b>35</b>  | <b>11,619</b>          | <b>5,213</b>           | <b>6,406</b> | <b>123</b> |
| <i>Samara oil plant</i>       | 17,310                 | 9,604                  | 7,706        | 80         | 9,362                  | 2,033                  | 7,328        | 360        |
| <i>Ekat. fat plant</i>        | 12,274                 | 8,311                  | 3,963        | 48         | 5,411                  | 2,444                  | 2,966        | 121        |
| <i>Far East</i>               | 3,443                  | 3,454                  | (12)         | (0)        | 937                    | 1,101                  | (165)        | (15)       |
| <i>Eliminations(*)</i>        | (6,740)                | (1,939)                | (4,801)      | (248)      | (4,090)                | (366)                  | (3,725)      | (1,019)    |
| <b>Gross profit, incl.</b>    | <b>4,931</b>           | <b>3,551</b>           | <b>1,380</b> | <b>39</b>  | <b>1,411</b>           | <b>1,371</b>           | <b>40</b>    | <b>3</b>   |
| <i>Samara oil plant</i>       | 2,134                  | 884                    | 1,250        | 141        | 667                    | 421                    | 246          | 58         |
| <i>Ekat. fat plant</i>        | 2,387                  | 2,460                  | (74)         | (3)        | 680                    | 821                    | (142)        | (17)       |
| <i>Far East</i>               | 536                    | 294                    | 242          | 82         | 71                     | 185                    | (115)        | (62)       |
| <i>Eliminations(*)</i>        | (126)                  | (87)                   | (38)         | (44)       | (6)                    | (56)                   | 50           | 90         |
| <b>Adjusted EBITDA, incl.</b> | <b>2,872</b>           | <b>685</b>             | <b>2,187</b> | <b>319</b> | <b>1,088</b>           | <b>639</b>             | <b>449</b>   | <b>70</b>  |
| <i>Samara oil plant</i>       | 1,687                  | (47)                   | 1,734        | -          | 731                    | 142                    | 589          | 414        |
| <i>Ekat. fat plant</i>        | 957                    | 618                    | 339          | 55         | 356                    | 409                    | (54)         | (13)       |
| <i>Far East</i>               | 252                    | 77                     | 175          | 228        | (8)                    | 104                    | (112)        | -          |
| <i>Eliminations(*)</i>        | (24)                   | 38                     | (62)         | -          | 9                      | (17)                   | 26           | -          |
| <b>Adjusted EBITDA</b>        | <b>11%</b>             | <b>4%</b>              | <b>7%</b>    |            | <b>9%</b>              | <b>12%</b>             | <b>-3%</b>   |            |
| <i>Samara oil plant</i>       | <i>10%</i>             | <i>0%</i>              | <i>10%</i>   |            | <i>8%</i>              | <i>7%</i>              | <i>1%</i>    |            |
| <i>Ekat. fat plant</i>        | <i>8%</i>              | <i>7%</i>              | <i>0%</i>    |            | <i>7%</i>              | <i>17%</i>             | <i>-10%</i>  |            |
| <i>Far East</i>               | <i>7%</i>              | <i>2.2%</i>            | <i>5%</i>    |            | <i>-1%</i>             | <i>9.5%</i>            | <i>-10%</i>  |            |

\*Intra-segment sales include sales of bulk oil from Samara oil plant and bulk and bottled oil from Far East to Ekaterinburg fat plant.



Sales volumes to third parties by product were as follows:

| thousand tons | Year ended |          | Variance |      | Three months ended |          | Variance |      |
|---------------|------------|----------|----------|------|--------------------|----------|----------|------|
|               | 31         | 31       | Units    | %    | 31                 | 31       | Units    | %    |
|               | December   | December |          |      | December           | December |          |      |
|               | 2018       | 2017     |          |      | 2018               | 2017     |          |      |
| mayonnaise    | 48         | 59       | (10)     | (18) | 16                 | 15       | 1        | 5    |
| margarine     | 29         | 36       | (6)      | (18) | 9                  | 12       | (3)      | (22) |
| bottled oil   | 97         | 20       | 77       | 388  | 45                 | 9        | 36       | 423  |
| bulk oil      | 168        | 150      | 18       | 12   | 83                 | 31       | 53       | 172  |
| meal          | 302        | 253      | 49       | 19   | 129                | 70       | 58       | 83   |

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

| RR per kilogram,<br>excl. VAT | Year ended |          | Variance |     | Three months ended |          | Variance |     |
|-------------------------------|------------|----------|----------|-----|--------------------|----------|----------|-----|
|                               | 31         | 31       | Units    | %   | 31                 | 31       | Units    | %   |
|                               | December   | December |          |     | December           | December |          |     |
|                               | 2018       | 2017     |          |     | 2018               | 2017     |          |     |
| mayonnaise                    | 81.3       | 80.5     | 1.7      | 2   | 81.3               | 82.3     | (1.0)    | (1) |
| margarine                     | 83.2       | 78.1     | 5.4      | 7   | 86.2               | 77.5     | 8.7      | 11  |
| bottled oil                   | 55.7       | 58.8     | (2.5)    | (4) | 56.5               | 57.3     | (0.8)    | (1) |
| bulk oil                      | 45.7       | 42.2     | 3.2      | 7   | 47.7               | 42.6     | 5.1      | 12  |
| meal                          | 17.2       | 16.0     | 1.3      | 8   | 15.7               | 15.4     | 0.3      | 2   |

Increase in *Sales* by RR 6,855 million in 12M 2018 compared to the respective periods of 12 M 2017 because of tolling scheme on Solnechnie Produkti assets and the start of production of bottled oil on SAPP plant. As a result higher volume of bottled oil sold.

Decrease in *Distribution and selling expenses* by RR 872 million in 12M 2018 (Q4 2018: RR 497 million) compared to the respective periods of previous year is attributed to the limitation of marketing and brands promotion at Ekaterinburg fat plant including restrictions in trade marketing activities provided by the retailers in 2018.

An increase in *Adjusted EBITDA* of Samara oil plant and Far East in 12M 2018 tolling scheme on Solnechnie Produkti assets and the start of production of bottled oil on SAPP plant.

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

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

| in million Roubles  | Year ended             |                        | Variance        |             | Three months ended     |                        | Variance        |           |
|---|------------------------|------------------------|-----------------|-------------|------------------------|------------------------|-----------------|-----------|
|   | 31<br>December<br>2018 | 31<br>December<br>2017 | Units           | %           | 31<br>December<br>2018 | 31<br>December<br>2017 | Units           | %         |
| <b>Net cash from operating activities,</b>  | <b>(7,672)</b>         | <b>17,673</b>          | <b>(24,814)</b> | -           | <b>(11,055)</b>        | <b>10,560</b>          | <b>(21,615)</b> | -         |
| <i>Operating cash flow before working capital changes</i>                                   | 16,638                 | 14,843                 | 1,795           | 12          | 14,518                 | 11,806                 | 2,712           | 23        |
| <i>Working capital changes</i>  | (24,530)               | 3,253                  | (27,783)        | -           | (24,379)               | (979)                  | (23,401)        | (2,391)   |
| <b>Net cash from investing activities,</b>  | <b>(15,564)</b>        | <b>(17,887)</b>        | <b>2,106</b>    | <b>12</b>   | <b>(12,652)</b>        | <b>(15,037)</b>        | <b>2,385</b>    | <b>16</b> |
| <i>Purchases of property, plant and equipment and inventories intended for construction</i> | (16,244)               | (17,534)               | 1,289           | 7           | (13,146)               | (14,633)               | 1,487           | 10        |
| <b>Net cash from financing activities</b>   | <b>19,941</b>          | <b>(4,479)</b>         | <b>21,093</b>   | -           | <b>23,796</b>          | <b>(7,954)</b>         | <b>31,749</b>   | -         |
| <b>Net effect of exchange rate changes on cash and cash equivalents</b>                     | <b>162</b>             | <b>(213)</b>           | <b>376</b>      | -           | <b>163</b>             | <b>(117)</b>           | <b>280</b>      | -         |
| <b>Net increase/ (decrease) in cash and cash equivalents</b>                                | <b>(3,132)</b>         | <b>(1,891)</b>         | <b>(1,241)</b>  | <b>(66)</b> | <b>252</b>             | <b>(12,547)</b>        | <b>12,799</b>   | -         |

(\*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in 12M 2018 were made in the meat segment in the amount of RR 9,367 million (12M 2017: RR 6,283 million), Significant investments were also made in Sugar segment in the amount of RR 3,086 million (12M 2017: RR 3,387 million) in modernization of sugar plants and in Agriculture division in RR 1,953 (12M 2017 RR 6,219). Investments in the Oil and Fat segment amounted to RR 1,158 million (12M 2017: RR 1,570 million).

## Debt position and liquidity management

| in RR million   | 31 December     |                 | Variance      |            |
|---|-----------------|-----------------|---------------|------------|
|   | 2018            | 2017            | Units         | %          |
| <b>Gross debt</b>   | <b>95,101</b>   | <b>46,651</b>   | <b>48,450</b> | <b>104</b> |
| Short-term borrowings                                     | 32,514          | 8,864           | 23,650        | 267        |
| Long-term borrowings                                      | 62,588          | 37,788          | 24,800        | 66         |
| <b>Cash and cash equivalents, bank deposits and bonds</b> | <b>(40,759)</b> | <b>(40,048)</b> | <b>(712)</b>  | <b>(2)</b> |
| Short-term cash, deposits and bonds                       | (4,543)         | (22,901)        | 18,358        | 80         |
| Long-term cash, deposits and bonds                        | (36,216)        | (17,146)        | (19,070)      | (111)      |
| <b>Net debt</b>   | <b>54,342</b>   | <b>6,604</b>    | <b>47,738</b> | <b>723</b> |
| Short-term borrowings, net                                | 27,971          | (14,038)        | 42,008        | -          |
| Long-term borrowings, net                                 | 26,371          | 20,642          | 5,730         | 28         |
| <b>Adjusted EBITDA (LTM<sup>4</sup>)</b>                  | <b>16,179</b>   | <b>13,955</b>   | <b>2,224</b>  | <b>16</b>  |
| <b>Net debt/ Adjusted EBITDA (LTM)</b>                    | <b>3.36</b>     | <b>0.47</b>     | <b>2.9</b>    |            |

## Net finance income/ (expense)

| in RR million                                       | Year ended     |                | Variance       |              | Three months ended |               | Variance     |              |
|---|----------------|----------------|----------------|--------------|--------------------|---------------|--------------|--------------|
|   | 31             | 31             |                |              | 31                 | 31            |              |              |
|   | December 2018  | December 2017  | Units          | %            | December 2018      | December 2017 | Units        | %            |
| <b>Net interest expense</b>                         | <b>(2,884)</b> | <b>(2,260)</b> | <b>(625)</b>   | <b>(28)</b>  | <b>(1,147)</b>     | <b>(398)</b>  | <b>(749)</b> | <b>(188)</b> |
| Gross interest expense                              | (4,000)        | (3,512)        | (488)          | (14)         | (1,605)            | (1,129)       | (476)        | (42)         |
| Reimbursement of interest expense                   | 1,116          | 1,253          | (137)          | (11)         | 458                | 731           | (273)        | (37)         |
| <b>Interest income</b>                              | <b>4,003</b>   | <b>4,190</b>   | <b>(187)</b>   | <b>(4)</b>   | <b>1,295</b>       | <b>992</b>    | <b>303</b>   | <b>31</b>    |
| <b>Net gain/ (loss) from bonds held for trading</b> | <b>(42)</b>    | <b>30</b>      | <b>(72)</b>    | <b>-</b>     | <b>(13)</b>        | <b>21</b>     | <b>(34)</b>  | <b>-</b>     |
| <b>Other financial income, net</b>                  | <b>(167)</b>   | <b>(39)</b>    | <b>(128)</b>   | <b>(328)</b> | <b>(131)</b>       | <b>(51)</b>   | <b>(80)</b>  | <b>(159)</b> |
| Net foreign exchange gain/ (loss)                   | (16)           | 11             | (27)           | -            | 40                 | (15)          | 55           | -            |
| Other financial income / (expenses), net            | (151)          | (50)           | (101)          | (203)        | (170)              | (35)          | (135)        | (385)        |
| <b>Total net finance income/ (expenses)</b>         | <b>910</b>     | <b>1,921</b>   | <b>(1,011)</b> | <b>(53)</b>  | <b>4</b>           | <b>564</b>    | <b>(560)</b> | <b>(99)</b>  |

In 2018 the Group continued to enjoy benefits from the state agriculture subsidies programme. In 12M 2018 RR 1,116 million of subsidies received covered 28% of gross interest expense. In addition, in 2017 the Group received bank loans with decreased preferential interest rates under the new 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 12M 2018 IFRS accounts these credits are accounted for according to its face value with no adjustments to prevailing market rates. The differences between nominal and market interest rate is recognized as interest expenses and government grants in a statement of comprehensive income or in a statement of financial position.

(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 operating income/ (expenses), net (other than reimbursement of operating costs (government grants)), (iii) net gain/ (loss) on revaluation of biological assets and agricultural produce, (iv) provision/ (reversal of provision) for net realizable value of agricultural products in stock, (v) 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:*

We are the third leading Russian sugar producer, producing sugar on nine production sites from sugar beet. We produce white and brown cube sugar and packaged sugar sold under the brands Chaikofsky, Russkii Sakhar, Mon Cafe and Brauni. Our sugar segment is vertically integrated with sugar beet cultivation in our agriculture segment, through which we strive to ensure a consistent supply of sugar beets. We also operate a cereal plant and sell buckwheat and rice under the brand Tyoplye Traditsii.

### *Meat:*

According to the National Union of Pig Breeders, we are the fourth largest pork producer in Russia on the ground of relative production volumes for 2018. We have implemented best practices in biosecurity at our pig farms. Since 2016, we are selling consumer products under the brand Slovo Myasnika (Butcher’s Promise).

### *Agricultural:*

The Group currently controls what it believes to be one of the largest land banks among Russian agriculture producers, with 652 thousand hectares of land under our control located in the highly fertile Black Earth region of Russia (in the Belgorod, Tambov, Voronezh, Orel and Kursk 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. We believe we are one of the major sugar beet producers in Russia, and our agricultural segment also produces winter wheat and barley, sunflower products and soybeans. These products are partially consumed by the meat segment, supporting a synergistic effect and lowering price change risk.

### *Oil and Fat:*

We are one of the leading producers of mayonnaise and number one producer of consumer margarine in Russia. Products are sold under four brands, such as EZhK, Schedroye Leto, Mechta Khozyaiki, Gotovim Doma, Maslava and Soyaco. Our oil extraction plant located in Samara (Samara oil plant) enables us to control the source of 100% of the vegetable oil required by our oil and fats production plant in Ekaterinburg (Ekaterinburg fat plant).

## **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.

*Details of call:*

|                   |  |
|-------------------|--|
| Date              | 14 March 2019                                  |
| Time              | 4:00 PM (Moscow) / 1:00 PM (London)            |
| Subject           | ROS AGRO PLC 12M and Q4 2018 Financial results |
| UK Toll Free      | 0800 279 7204                                  |
| UK Local Line     | +44 330 336 9411                               |
| USA Toll Free     | 888-256-1007                                   |
| USA Local Line    | +1 929-477-0448                                |
| Russia Toll Free  | 8 10 8002 8675011                              |
| Russia Local Line | +7 495 646 9190                                |
| Conference ID     | 7503469  |

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**Appendix 1. Consolidated statement of comprehensive income for the Year ended 31 December 2018 (in RR thousand)**

|  | Year ended 31 December |                   | Three months ended<br>31 December |                  |
|--|------------------------|-------------------|-----------------------------------|------------------|
|  | 2018                   | 2017              | 2018                              | 2017             |
| Sales  | 82,977,711             | 79,057,860        | 30,776,728                        | 24,229,150       |
| Net gain / (loss) on revaluation of biological assets and agricultural produce   | 2,850,788              | (2,976,169)       | (1,360,139)                       | (421,173)        |
| Cost of sales  | (61,679,842)           | (58,115,770)      | (24,314,450)                      | (16,621,290)     |
| Net gain from trading derivatives  | 8,890                  | (11,115)          | 2,527                             | (1,178)          |
| <b>Gross profit</b>  | <b>24,157,547</b>      | <b>17,954,806</b> | <b>5,104,666</b>                  | <b>7,185,509</b> |
| Distribution and selling expenses  | (6,960,090)            | (8,360,963)       | (1,899,586)                       | (3,051,168)      |
| General and administrative expenses  | (5,168,528)            | (4,878,534)       | (1,107,767)                       | (1,331,076)      |
| Other operating income/ (expenses), net  | 593,112                | (665,918)         | 1,900,646                         | (453,587)        |
| <b>Operating profit</b>  | <b>12,622,041</b>      | <b>4,049,391</b>  | <b>3,997,959</b>                  | <b>2,349,678</b> |
| Interest expense   | (2,884,418)            | (2,259,804)       | (1,147,235)                       | (398,110)        |
| Interest income  | 4,002,952              | 4,189,550         | 1,294,584                         | 991,577          |
| Net gain from bonds  | (41,940)               | 29,783            | (12,670)                          | 20,983           |
| Other financial income/ (expenses), net  | (166,842)              | (38,968)          | (130,757)                         | (50,567)         |
| Share of results of associates   | -                      | 11,060            | -                                 | -                |
| <b>Profit before income tax</b>  | <b>13,531,793</b>      | <b>5,981,012</b>  | <b>4,001,881</b>                  | <b>2,913,561</b> |
| Income tax expense   | (703,830)              | (417,848)         | (127,070)                         | (439,638)        |
| <b>Profit for the year</b>   | <b>12,827,963</b>      | <b>5,563,164</b>  | <b>3,874,811</b>                  | <b>2,473,923</b> |
| <b>Other comprehensive income:</b>   |                        |                   |                                   |                  |
| <b>Items that may be subsequently reclassified to profit and loss:</b>   |                        |                   |                                   |                  |
| Change in value of available-for-sale financial assets   | -                      | (154,082)         | -                                 | -                |
| Net change in fair value of available-for-sale financial assets transferred to profit or loss                          | -                      | 301,334           | -                                 | -                |
| Income tax relating to other comprehensive income  | -                      | 30,816            | -                                 | -                |
| Income tax relating to other comprehensive income transferred to profit or loss  | -                      | (60,267)          | -                                 | (60,267)         |
| <b>Total comprehensive income for the period</b>   | <b>12,827,963</b>      | <b>5,680,965</b>  | <b>3,874,811</b>                  | <b>2,413,656</b> |
| <b>Profit is attributable to:</b>  |                        |                   |                                   |                  |
| Owners of ROS AGRO PLC   | 12,807,823             | 5,630,672         | 3,874,811                         | 2,452,189        |
| Non-controlling interest   | 20,140                 | (67,508)          | -                                 | 21,734           |
| <b>Profit for the period</b>   | <b>12,827,963</b>      | <b>5,563,164</b>  | <b>3,874,811</b>                  | <b>2,473,923</b> |
| <b>Total comprehensive income is attributable to:</b>  |                        |                   |                                   |                  |
| Owners of ROS AGRO PLC   | 12,807,823             | 5,748,473         | 3,874,811                         | 2,391,922        |
| Non-controlling interest   | 20,140                 | (67,508)          | -                                 | 21,734           |
| <b>Total comprehensive income for the period</b>   | <b>12,827,963</b>      | <b>5,680,965</b>  | <b>3,874,811</b>                  | <b>2,413,656</b> |
| Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share) | 476.15                 | 209.33            | 144.05                            | 91.17            |

**Appendix 2. Segment information for the Year ended 31 December 2018 (in RR thousand)**

| <b>12M 2018</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   | 24,082,856         | 22,350,025         | 20,828,430         | 26,285,813         | 1,187,483         | (11,756,896)        | 82,977,711         |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | -                  | (542,408)          | 2,313,301          | -                  | -                 | 1,079,896           | 2,850,789          |
| Cost of sales   | (17,459,726)       | (15,897,332)       | (14,293,434)       | (21,354,655)       | (951,193)         | 8,276,498           | (61,679,842)       |
| <i>incl. Depreciation</i>   | <i>(1,922,979)</i> | <i>(2,137,672)</i> | <i>(1,565,803)</i> | <i>(327,295)</i>   | <i>(3,983)</i>    | <i>(24,273)</i>     | <i>(5,982,005)</i> |
| Net gain/ (loss) from trading derivatives                                     | 8,890              | -                  | -                  | -                  | -                 | -                   | 8,890              |
| <b>Gross profit / (loss)</b>  | <b>6,632,020</b>   | <b>5,910,285</b>   | <b>8,848,297</b>   | <b>4,931,158</b>   | <b>236,290</b>    | <b>(2,400,502)</b>  | <b>24,157,548</b>  |
| Distribution and Selling, General and administrative expenses                 | (3,804,519)        | (1,697,910)        | (3,662,569)        | (2,628,767)        | (833,119)         | 498,265             | (12,128,619)       |
| <i>incl. Depreciation</i>   | <i>(82,659)</i>    | <i>(63,926)</i>    | <i>(362,049)</i>   | <i>(130,328)</i>   | <i>(23,304)</i>   | <i>24,273</i>       | <i>(637,993)</i>   |
| Other operating income/(expenses), net  | 2,910,349          | 662,110            | (233,425)          | 77,405             | 18,704,889        | (21,528,216)        | 593,112            |
| <i>incl. Reimbursement of operating costs (government grants)</i>             | <i>35,638</i>      | <i>25,984</i>      | <i>124,266</i>     | <i>92,049</i>      | <i>-</i>          | <i>-</i>            | <i>277,937</i>     |
| <b>Operating profit / (loss)</b>  | <b>5,737,850</b>   | <b>4,874,485</b>   | <b>4,952,303</b>   | <b>2,379,796</b>   | <b>18,108,060</b> | <b>(23,430,453)</b> | <b>12,622,041</b>  |
| <b>Adjustments:</b>   |                    |                    |                    |                    |                   |                     |                    |
| Depreciation included in Operating Profit                                     | 2,018,494          | 2,211,540          | 1,984,160          | 477,892            | 30,911            | -                   | 6,722,997          |
| Other operating (income) /expenses, net                                       | (2,910,349)        | (662,110)          | 233,425            | (77,405)           | (18,704,889)      | 21,528,216          | (593,112)          |
| Reimbursement of operating costs (government grants)                          | 35,638             | 25,984             | 124,266            | 92,049             | -                 | -                   | 277,937            |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | -                  | 542,408            | (2,313,301)        | -                  | -                 | (1,079,896)         | (2,850,789)        |
| <b>Adjusted EBITDA*</b>   | <b>4,881,633</b>   | <b>6,992,307</b>   | <b>4,980,853</b>   | <b>2,872,332</b>   | <b>(565,918)</b>  | <b>(2,982,133)</b>  | <b>16,179,074</b>  |

\* Non-IFRS measure

**Appendix 2 (continued). Segment information for the Year ended 31 December 2017 (in RR thousand)**

| <b>12M 2017</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   | 30,385,814       | 20,512,135       | 18,768,283         | 19,430,347         | 117,753          | (10,156,472)        | 79,057,860        |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | -                | (319,136)        | (862,189)          | -                  | -                | (1,794,844)         | (2,976,169)       |
| Cost of sales   | (22,284,480)     | (15,133,016)     | (15,315,051)       | (15,879,149)       | -                | 10,495,926          | (58,115,770)      |
| <i>incl. Depreciation</i>   | (1,629,200)      | (1,905,872)      | (1,221,267)        | (355,939)          | -                | (84,547)            | (5,196,825)       |
| Net gain/ (loss) from trading derivatives                                     | (11,115)         | -                | -                  | -                  | -                | -                   | (11,115)          |
| <b>Gross profit</b>   | <b>8,090,219</b> | <b>5,059,983</b> | <b>2,591,043</b>   | <b>3,551,198</b>   | <b>117,753</b>   | <b>(1,455,390)</b>  | <b>17,954,806</b> |
| Distribution and Selling, General and administrative expenses                 | (4,371,691)      | (1,100,094)      | (5,336,802)        | (3,348,896)        | (1,098,874)      | 2,016,859           | (13,239,498)      |
| <i>incl. Depreciation</i>   | (140,264)        | (42,077)         | (432,567)          | (127,221)          | (58,516)         | 81,914              | (718,731)         |
| Other operating income/(expenses), net  | (8,082)          | 235,884          | 27,608             | 128,206            | 7,003,732        | (8,053,266)         | (665,918)         |
| <i>incl. Reimbursement of operating costs (government grants)</i>             | -                | 42,255           | 61,966             | -                  | -                | -                   | 104,221           |
| <b>Operating profit / (loss)</b>  | <b>3,710,446</b> | <b>4,195,773</b> | <b>(2,718,151)</b> | <b>330,508</b>     | <b>6,022,611</b> | <b>(7,491,797)</b>  | <b>4,049,390</b>  |
| <b>Adjustments:</b>   |                  |                  |                    |                    |                  |                     |                   |
| Depreciation included in Operating Profit                                     | 1,769,464        | 1,947,948        | 1,897,950          | 483,160            | 58,516           | 2,633               | 6,159,671         |
| Other operating (income) /expenses, net                                       | 8,082            | (235,884)        | (27,608)           | (128,206)          | (7,003,732)      | 8,053,266           | 665,918           |
| Reimbursement of operating costs (government grants)                          | -                | 42,255           | 61,966             | -                  | -                | -                   | 104,221           |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | -                | 319,136          | 862,189            | -                  | -                | 1,794,844           | 2,976,169         |
| <b>Adjusted EBITDA *</b>  | <b>5,487,992</b> | <b>6,269,228</b> | <b>76,346</b>      | <b>685,462</b>     | <b>(922,605)</b> | <b>2,358,946</b>    | <b>13,955,369</b> |

\* Non-IFRS measure



**Appendix 3. Consolidated statement of financial position as at 31 December 2018  
(in RR thousand)**

|  | <u>31 December 2018</u> | <u>31 December 2017</u> |
|--|-------------------------|-------------------------|
| <b>ASSETS</b>  |                         |                         |
| <b>Current assets</b>                                |                         |                         |
| Cash and cash equivalents                            | 1,728,396               | 4,860,335               |
| Restricted cash                                      | 49                      | 42                      |
| Short-term investments                               | 8,551,238               | 18,457,778              |
| Trade and other receivables                          | 6,226,403               | 3,196,315               |
| Prepayments  | 2,194,971               | 1,201,479               |
| Current income tax receivable                        | 533,459                 | 212,026                 |
| Other taxes receivable                               | 4,420,011               | 3,352,606               |
| Inventories  | 49,011,008              | 25,665,886              |
| Short-term biological assets                         | 4,065,870               | 4,009,965               |
| <b>Total current assets</b>                          | <b>76,731,405</b>       | <b>60,956,432</b>       |
| <b>Non-current assets</b>                            |                         |                         |
| Property, plant and equipment                        | 68,606,452              | 56,390,084              |
| Inventories intended for construction                | 4,136,855               | 795,314                 |
| Goodwill   | 2,364,942               | 1,826,258               |
| Advances paid for property, plant and equipment      | 9,681,448               | 13,841,743              |
| Long-term biological assets                          | 2,650,201               | 1,719,784               |
| Long-term investments                                | 54,494,252              | 17,594,030              |
| Investments in associates                            | 7,320                   | 7,320                   |
| Other non-current assets                             | 215,417                 | 29,518                  |
| Deferred income tax assets                           | 1,866,593               | 1,992,839               |
| Other intangible assets                              | 2,202,786               | 2,286,181               |
| Non-current assets held for sale                     | 820,950                 | -                       |
| <b>Total non-current assets</b>                      | <b>147,047,216</b>      | <b>96,453,553</b>       |
| <b>Total assets</b>                                  | <b>223,778,621</b>      | <b>157,409,985</b>      |
| <b>LIABILITIES AND EQUITY</b>                        |                         |                         |
| <b>Current liabilities</b>                           |                         |                         |
| Short-term borrowings                                | 32,513,595              | 8,863,525               |
| Trade and other payables                             | 12,190,160              | 6,773,069               |
| Current income tax payable                           | 60,913                  | 63,727                  |
| Other taxes payable                                  | 4,023,910               | 4,072,364               |
| <b>Total current liabilities</b>                     | <b>48,788,611</b>       | <b>19,772,685</b>       |
| <b>Non-current liabilities</b>                       |                         |                         |
| Long-term borrowings                                 | 62,587,531              | 37,787,777              |
| Government grants                                    | 7,310,975               | 6,377,469               |
| Deferred income tax liability                        | 359,051                 | 744,113                 |
| Other non-current liability                          | 2,465,813               | -                       |
| <b>Total non-current liabilities</b>                 | <b>72,723,370</b>       | <b>44,909,359</b>       |
| <b>Total liabilities</b>                             | <b>121,511,981</b>      | <b>64,682,044</b>       |
| <b>Equity</b>  |                         |                         |
| Share capital  | 12,269                  | 12,269                  |
| Treasury shares                                      | (490,606)               | (491,978)               |
| Share premium  | 26,964,479              | 26,964,480              |
| Share-based payment reserve                          | 1,326,579               | 1,308,188               |
| Retained earnings                                    | 74,286,089              | 64,758,966              |
| <b>Equity attributable to owners of ROS AGRO PLC</b> | <b>102,098,809</b>      | <b>92,551,925</b>       |
| Non-controlling interest                             | 167,831                 | 176,016                 |
| <b>Total equity</b>                                  | <b>102,266,640</b>      | <b>92,727,941</b>       |
| <b>Total liabilities and equity</b>                  | <b>223,778,621</b>      | <b>157,409,985</b>      |

**Appendix 4. Consolidated statement of cash flows for the Year ended 31 December 2018  
(in RR thousand) – NOT IFRS PRESENTATION (\*)**

|   | Note       | Year ended<br>31 December 2018 | Year ended<br>31 December 2017 |
|---|------------|--------------------------------|--------------------------------|
| <b>Cash flows from operating activities</b>   |            |                                |                                |
| Profit before income tax  |            | 13,531,793                     | 5,981,011                      |
| <i>Adjustments for:</i>   |            |                                |                                |
| Depreciation and amortization   | 20, 21, 22 | 7,788,465                      | 7,155,334                      |
| Interest expense  | 24         | 4,000,443                      | 3,512,362                      |
| Government grants   | 23, 24     | (1,915,530)                    | (1,733,537)                    |
| Interest income   |            | (4,002,952)                    | (4,189,550)                    |
| Loss on disposal of property, plant and equipment                                     | 23         | 126,228                        | 78,849                         |
| Net (gain)/ loss on revaluation of biological assets and agricultural produce         | 9          | (2,850,788)                    | 2,976,169                      |
| Change in provision for net realizable value of inventory                             |            | 63,905                         | 2,222                          |
| Share of results of associates  |            | -                              | (11,060)                       |
| Change in provision for impairment of receivables and prepayments                     |            | 61,704                         | 181,757                        |
| Foreign exchange loss /(gain), net  | 23, 24     | 63,468                         | (15,949)                       |
| Share based remuneration  | 27         | 18,391                         | 19,761                         |
| Settlement of loans and accounts receivable previously written-off                    | 23         | (139)                          | (141,339)                      |
| Lost harvest write-off  | 23         | 70,580                         | 82,119                         |
| Net loss / (gain) from bonds held for trading   |            | 41,934                         | (29,783)                       |
| Change in provision for impairment of advances paid for property, plant and equipment |            | (38,852)                       | 6,220                          |
| Impairment of goodwill  | 23         | -                              | 399,046                        |
| Loss on sale of associates, net   |            | -                              | 58,833                         |
| Loss on sale of other assets  | 23         | 102,997                        | -                              |
| Realized deferred day-one gain  | 23         | (274,111)                      | -                              |
| Gain from reposition of collateral  | 23         | (316,023)                      | -                              |
| Loss on other investments   | 23         | -                              | 401,453                        |
| Other non-cash and non-operating expenses, net  |            | 146,758                        | 109,201                        |
| <b>Operating cash flows before working capital changes</b>                            |            | <b>16,618,271</b>              | <b>14,843,119</b>              |
| Change in trade and other receivables and prepayments                                 |            | (4,050,515)                    | 855,801                        |
| Change in other taxes receivable  |            | (1,050,067)                    | 999,150                        |
| Change in inventories   |            | (19,788,602)                   | 1,438,041                      |
| Change in biological assets   |            | (1,069,740)                    | 304,866                        |
| Change in trade and other payables  |            | 2,808,297                      | (568,000)                      |
| Change in other taxes payable   |            | 141,469                        | 223,637                        |
| <b>Changes in working capital</b>   |            | <b>(6,390,887)</b>             | <b>18,096,614</b>              |
| Income taxes paid   |            | (1,281,174)                    | (423,213)                      |
| <b>Net cash (used in)/ from operating activities</b>                                  |            | <b>(7,672,061)</b>             | <b>17,673,401</b>              |
| <b>Cash flows from investing activities</b>   |            |                                |                                |
| Purchases of property, plant and equipment  |            | (12,895,786)                   | (16,684,987)                   |
| Purchases of other intangible assets  |            | (351,141)                      | (514,318)                      |
| Proceeds from sales of property, plant and equipment                                  |            | 75,168                         | 29,891                         |
| Purchases of inventories intended for construction                                    |            | (1,968,594)                    | (848,870)                      |
| Proceeds from cash withdrawals from deposits  |            | 20,966,068                     | 34,227,159                     |
| Deposits placed with banks  |            | (6,139,044)                    | (35,976,815)                   |
| Purchases of associates   |            | -                              | (9,168)                        |
| Proceeds from sale of associates  |            | -                              | 42,116                         |
| Investments in subsidiaries, net of cash acquired                                     | 25         | (534,450)                      | 79,426                         |
| Purchases of bonds with maturity over three months                                    |            | (19,900,000)                   | -                              |
| Purchases of promissory notes   |            | (100,000)                      | -                              |
| Loans given   |            | -                              | (7)                            |
| Purchases of loan issued  |            | (882,492)                      | -                              |
| Loans repaid  |            | 369,008                        | 428,559                        |
| Movement in restricted cash   |            | 658                            | (846)                          |
| Interest received   |            | 4,524,153                      | 4,336,595                      |
| Purchases of other assets   | 23         | (52,532)                       | -                              |
| Proceeds from sales of other assets   | 23         | 1,325,100                      | -                              |
| Dividends received  |            | -                              | 19,558                         |
| <b>Net cash used in investing activities</b>  |            | <b>(15,563,884)</b>            | <b>(14,871,707)</b>            |
| <b>Cash flows from financing activities</b>   |            |                                |                                |
| Proceeds from borrowings  | 15         | 49,981,866                     | 18,819,053                     |
| Repayment of borrowings   | 15         | (25,326,315)                   | (16,860,947)                   |
| Interest paid   |            | (3,569,972)                    | (2,865,059)                    |
| Purchases of non-controlling interest   | 14         | (58,574)                       | (81,218)                       |
| Dividends paid to owners ROS AGRO PLC   |            | (3,485,666)                    | (6,146,486)                    |
| Proceeds from government grants   |            | 2,309,106                      | 2,674,618                      |
| Lease payments  |            | 11,942                         | (14,919)                       |
| Other financial activities  |            | 79,377                         | (4,625)                        |
| <b>Net cash from/(used in) financing activities</b>                                   |            | <b>19,941,764</b>              | <b>(4,479,583)</b>             |
| Effect of exchange rate changes on cash and cash equivalents                          |            | 162,242                        | (213,488)                      |
| <b>Net decrease in cash and cash equivalents</b>                                      |            | <b>(3,131,939)</b>             | <b>(1,891,377)</b>             |
| <b>Cash and cash equivalents at the beginning of the year</b>                         | 3          | <b>4,860,335</b>               | <b>6,751,712</b>               |
| <b>Cash and cash equivalents at the end of the year</b>                               | 3          | <b>1,728,396</b>               | <b>4,860,335</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.*