



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. 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>8%</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 December 2018	31 December 2017	Units	%	31 December 2018	31 December 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 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 December 2018	31 December 2017	Units	%	31 December 2018	31 December 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 December 2018	31 December 2017	Units	%	31 December 2018	31 December 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 December 2018	31 December 2017	Units	%	31 December 2018	31 December 2017	Units	%
Sales	22,350	20,512	1,838	9	6,966	5,321	1,645	31
Net gain/ (loss) on revaluation of biological assets and agricultural 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 of biological assets revaluation</i>	6,453	5,379	1,074	20	1,727	1,599	128	8
<i>Adjusted gross profit margin</i>	<i>29%</i>	<i>26%</i>	<i>3%</i>		<i>25%</i>	<i>30%</i>	<i>-5%</i>	
Distribution and selling expenses	(669)	(439)	(230)	(52)	(193)	(138)	(55)	(39)
General and administrative expenses	(1,029)	(661)	(368)	(56)	(332)	(207)	(125)	(60)
Other operating income/ (expenses), net	662	236	426	181	570	35	535	1,524
<i>incl. reimbursement of operating costs (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 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 December 2018	31 December 2017	Units	%	31 December 2018	31 December 2017	Units	%
Sales volume (in thousand tonnes), incl.	<b>165</b>	<b>175</b>	<b>(10)</b>	<b>(6)</b>	<b>50</b>	<b>47</b>	<b>3</b>	<b>6</b>
livestock pigs	27	57	(30)	(53)	9	12	(3)	25
processed pork	138	118	20	17	41	35	6	17
Average sale prices (roubles per kg, excl. VAT):								

	Year ended		Variance		Three months ended		Variance	
	31 December 2018	31 December 2017	Units	%	31 December 2018	31 December 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. VAT	Year ended		Variance		Three months ended		Variance	
	31	31	Units	%	31	31	Units	%
	December 2018	December 2017			December 2018	December 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 December 2018	31 December 2017	Units	%	31 December 2018	31 December 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/ (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 December 2018	31 December 2017	Units	%	31 December 2018	31 December 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, 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 December 2018	31 December 2017	Units	%	31 December 2018	31 December 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	Units	%	31	31	Units	%
	December 2018	December 2017			December 2018	December 2017		
<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

**Contacts:**

*Svetlana Kuznetsova,*  
*Chief Investment Officer*  
*Phone: +7 495 363 1661*  
*e-mail: ir@rusagrogroup.ru*

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

	Year ended 31 December		Three months ended 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 31 December 2018	Year ended 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.*