



10 March 2020

## **ROS AGRO financial results for 12M 2019 and Q4 2019**

**10 March 2020** – Today ROS AGRO PLC (the “Company”), the holding company of Rusagro Group (the “Group”), a leading Russian diversified food producer with vertically integrated operations, has announced the financial results for the Twelve months ended 31 December 2019.

### **12M 2019 Highlights**

- Sales amounted to RR 138,172 million (US\$ 2,138 million<sup>1</sup>), an increase of RR 55,194 million compared to 12M 2018;
- Adjusted EBITDA<sup>2</sup> amounted to RR 20,045 million (US\$ 310 million), an increase of RR 3,866 million compared to 12M 2018;
- Adjusted EBITDA margin dropped from 19% in 12M 2018 to 15% in 12M 2019;
- Net profit for the period amounted to RR 9,709 million (US\$ 149 million);
- Net debt position<sup>3</sup> as of 31 December 2019 amounted to RR 61,740 million (US\$ 997 million);
- Net Debt/ Adjusted EBITDA (LTM<sup>4</sup>) as of 31 December 2019 was 3.08x.

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

“In 4Q 2019 all segments except Agriculture Segment showed strong sales increase. Key growth drivers were higher sales volumes of oil and fat products due to the lease of SolPro assets and higher sales volumes of sugar caused by high carry-on stocks and production volumes. As the result adjusted EBITDA of Rusagro showed improvement, but positive eliminations were the main factor as two segments reduced their earnings. Agriculture Segment lost in EBITDA due to record low sugar beet prices and Meat Segment – due to lower prices for pork and higher prices for grains. As the result, total adjusted EBITDA margin only slightly improved in comparison to the same period of the previous year. In 2019, Meat Segment started to produce commercial pork at three new pork farms and expanded slaughterhouse capacities in Tambov Region, integrated pig farms acquired from CapitalAgro and continued construction works at pork cluster in the Primorie Territory aiming to launch it in 2021. Moreover, since the second half of 2019 Oil and Fats Segment started to lease two crushing and three oil and fats plants from SolPro. Sugar Segment launched second desugarization plant in Belgorod Region, allowing to produce more extra sugar in 2020 before the start of the new season.”

## Key consolidated financial performance indicators

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
<b>Sales</b>	<b>138,172**</b>	<b>82,978</b>	<b>55,194</b>	<b>67</b>	<b>39,096</b>	<b>30,777</b>	<b>8,319</b>	<b>27</b>
<b>Gross profit</b>	<b>23,582</b>	<b>24,158</b>	<b>(576)</b>	<b>(2)</b>	<b>7,244</b>	<b>5,105</b>	<b>2,139</b>	<b>42</b>
<i>Gross margin, %</i>	<i>17%</i>	<i>29%</i>	<i>(12) p.p.</i>		<i>19%</i>	<i>17%</i>	<i>2 p.p.</i>	
<b>Adjusted EBITDA</b>	<b>20,045***</b>	<b>16,179</b>	<b>3,866</b>	<b>24</b>	<b>7,684</b>	<b>5,932</b>	<b>1,752</b>	<b>30</b>
<i>Adjusted EBITDA margin, %</i>	<i>15%</i>	<i>19%</i>	<i>(4) p.p.</i>		<i>20%</i>	<i>19%</i>	<i>1 p.p.</i>	
<b>Net profit for the period*</b>	<b>9,709</b>	<b>12,828</b>	<b>(3,119)</b>	<b>(24)</b>	<b>3,489</b>	<b>2,850</b>	<b>639</b>	<b>22</b>
<i>Net profit margin %</i>	<i>7%</i>	<i>15%</i>	<i>(8) p.p.</i>		<i>9%</i>	<i>9%</i>	<i>0 p.p.</i>	

\*Net profit for the period is affected by non-cash loss on revaluation of biological assets and agricultural produce. See details in business-sections below.

\*\*Sales and COS for 1H 2019 related to Oil & Fats (RR 7,396 million) and Other (RR 1,120 million) have been netted versus each other with no effect on Gross profit in accordance with p. 17(a) and 17(b) of IFRS15

\*\*\* Adjusted EBITDA for 9 months was decreased by RR 828 million due to revaluation procedure, performed at the year end

## Key financial performance indicators by segments

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
<b>Sales, incl.</b>	<b>138,172</b>	<b>82,978</b>	<b>55,194</b>	<b>67</b>	<b>39,096</b>	<b>30,777</b>	<b>8,319</b>	<b>27</b>
<i>Sugar</i>	31,195	24,083	7,112	30	7,953	6,349	1,604	25
<i>Meat</i>	25,834	22,350	3,484	16	7,538	6,966	572	8
<i>Agriculture</i>	25,845	20,828	5,017	24	10,804	13,800	(2,996)	(22)
<i>Oil and Fat</i>	62,375	26,286	36,089	137	17,796	11,619	6,177	53
<i>Milk Products</i>	3,870	855	3,015	353	1,041	855	186	22
<i>Other</i>	300	332	(32)	(10)	76	(1)	77	-
<i>Eliminations</i>	(11,247)	(11,756)	509	4	(6,112)	(8,811)	2,699	31
<b>Gross profit, incl.</b>	<b>23,582</b>	<b>24,158</b>	<b>(576)</b>	<b>(2)</b>	<b>7,244</b>	<b>5,105</b>	<b>2,139</b>	<b>42</b>
<i>Sugar</i>	5,429	6,632	(1,203)	(18)	2,035	1,848	187	10
<i>Meat</i>	3,264	5,910	(2,646)	(45)	660	1,238	(578)	(47)
<i>Agriculture</i>	5,702	8,848	(3,146)	(36)	2,481	2,123	358	17
<i>Oil and Fat</i>	8,914	4,931	3,983	81	2,715	1,411	1,304	92
<i>Milk Products</i>	369	105	264	251	118	105	13	12
<i>Other</i>	155	131	24	18	35	(7)	42	-
<i>Eliminations</i>	(251)	(2,399)	2,148	90	(800)	(1,613)	813	50
<b>Adjusted EBITDA, incl.</b>	<b>20,045</b>	<b>16,179</b>	<b>3,866</b>	<b>24</b>	<b>7,684</b>	<b>5,932</b>	<b>1,752</b>	<b>30</b>
<i>Sugar</i>	3,983	4,882	(899)	(18)	1,433	1,228	205	17
<i>Meat</i>	4,917	6,992	(2,075)	(30)	1,424	1,804	(380)	(21)
<i>Agriculture</i>	6,122	4,981	1,141	23	1,939	3,999	(2,060)	(52)
<i>Oil and Fat</i>	3,658	2,872	786	27	1,986	1,108	878	79
<i>Milk Products</i>	63	60	3	5	15	60	(45)	(75)
<i>Other</i>	(1,059)	(626)	(433)	(69)	15	96	(81)	(84)
<i>Eliminations</i>	2,361	(2,982)	5,343	-	872	(2,363)	3,235	-
<b>Adjusted EBITDA margin, %</b>	<b>15%</b>	<b>19%</b>	<b>(4) p.p.</b>		<b>20%</b>	<b>19%</b>	<b>1 p.p.</b>	
<i>Sugar</i>	13%	20%	(7) p.p.		18%	19%	(1) p.p.	
<i>Meat</i>	19%	31%	(12) p.p.		19%	26%	(7) p.p.	
<i>Agriculture</i>	24%	24%	0 p.p.		18%	29%	(11) p.p.	
<i>Oil and Fat</i>	6%	11%	(5) p.p.		11%	10%	1 p.p.	
<i>Milk Products</i>	2%	7%	(5) p.p.		1%	7%	(6) p.p.	

## Sugar Segment

The financial results of the Sugar Segment for 12M 2019 and Q4 2019 compared to 9M 2018 and Q4 2018 respectively are presented in the table below:

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
Sales	31,195	24,083	7,112	30	7,953	6,349	1,604	25
Cost of sales	(25,759)	(17,460)	(8,299)	(48)	(5,916)	(4,504)	(1,412)	(31)
Net gain/ (loss) from trading derivatives	(7)	9	(16)	-	(2)	3	(5)	-
<b>Gross profit</b>	<b>5,429</b>	<b>6,632</b>	<b>(1,203)</b>	<b>(18)</b>	<b>2,035</b>	<b>1,848</b>	<b>187</b>	<b>10</b>
<i>Gross profit margin</i>	<i>18%</i>	<i>28%</i>	<i>(10) p.p.</i>		<i>26%</i>	<i>29%</i>	<i>(3) p.p.</i>	
Distribution and selling expenses	(2,077)	(2,225)	148	7	(803)	(687)	(116)	(17)
General and administrative expenses	(1,440)	(1,580)	140	9	(322)	(376)	54	14
Other operating income/ (expenses), net	544	2,910	(2,366)	(81)	141	(468)	609	-
<b>Operating profit</b>	<b>2,456</b>	<b>5,737</b>	<b>(3,281)</b>	<b>(57)</b>	<b>1,051</b>	<b>317</b>	<b>734</b>	<b>232</b>
<b>Adjusted EBITDA</b>	<b>3,983</b>	<b>4,882</b>	<b>(899)</b>	<b>(18)</b>	<b>1,433</b>	<b>1,228</b>	<b>205</b>	<b>17</b>
<i>Adjusted EBITDA margin</i>	<i>13%</i>	<i>20%</i>	<i>(7) p.p.</i>		<i>18%</i>	<i>19%</i>	<i>(1) p.p.</i>	

Sales increased in 12M 2019 compared to 12M 2018 mainly due to sugar sales volume increase of 46% (12M 2019: 1,022 ths tonnes, 12M 2018: 702 ths tonnes). Higher stock has been accumulated by the end of 2018 (650 ths tonnes vs normal 450 ths tonnes) in view of expected prices growth in 2019. Sales volumes growth was partially compensated by sales price drop of 9%.

Sales increased in 4Q 2019 compared to 4Q 2018 mainly due to sugar sales volume increase of 111% (4Q 2019: 295 ths tonnes, 4Q 2018: 140 ths tonnes), that was partially offset by sales price decrease of 37%.

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

	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
Sugar production volume (in thousand tonnes)	881	773	108	14	643	535	108	20
Sales volume (in thousand tonnes)	1,022	702	320	46	295	140	155	111
Average sales price (roubles per kg, excl. VAT)	27.5	30.1	(2.6)	(9)	21.9	35.0	(13.1)	(37)

Cost of sales increased in 12M 2019 compared to 12M 2018 by RR 8,299 million mainly due to high cost of stock carried forward resulted from high sugar beet purchase prices of harvest 2018 (increased by 39% compare to harvest 2017). Growth in cost of sales was partly compensated by season 2019 decrease of sugar beet purchase prices by 42%.

## Meat Segment

The financial results of the Meat Segment for 12M 2019 and Q4 2019 compared to 12M 2018 and Q4 2018 respectively are presented in the table below:

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
Sales	25,834	22,350	3,484	16	7,538	6,966	572	8
Net gain/ (loss) on revaluation of biological assets and agricultural produce	(852)	(542)	(310)	(57)	(396)	(490)	94	19
Cost of sales	(21,718)	(15,898)	(5,820)	(37)	(6,482)	(5,238)	(1,244)	(24)
<b>Gross profit</b>	<b>3,264</b>	<b>5,910</b>	<b>(2,646)</b>	<b>(45)</b>	<b>660</b>	<b>1,238</b>	<b>(578)</b>	<b>(47)</b>
<i>Gross profit margin</i>	<i>13%</i>	<i>26%</i>	<i>(13) p.p.</i>		<i>9%</i>	<i>18%</i>	<i>(9) p.p.</i>	
<i>Gross profit excl. effect of biological assets revaluation</i>	4,116	6,452	(2,336)	(36)	1,056	1,728	(672)	(39)
<i>Adjusted gross profit margin</i>	<i>16%</i>	<i>29%</i>	<i>(13) p.p.</i>		<i>14%</i>	<i>25%</i>	<i>(11) p.p.</i>	
Distribution and selling expenses	(847)	(669)	(178)	(27)	(297)	(193)	(104)	(54)
General and administrative expenses	(1,288)	(1,029)	(259)	(25)	(426)	(332)	(94)	(28)
Other operating income/ (expenses), net	326	662	(336)	(51)	99	570	(471)	(83)
<i>incl. reimbursement of operating costs (government grants)</i>	<i>57</i>	<i>26</i>	<i>31</i>	<i>119</i>	<i>7</i>	<i>4</i>	<i>3</i>	<i>73</i>
<b>Operating profit</b>	<b>1,455</b>	<b>4,874</b>	<b>(3,419)</b>	<b>(70)</b>	<b>36</b>	<b>1,283</b>	<b>(1,247)</b>	<b>(97)</b>
<b>Adjusted EBITDA</b>	<b>4,917</b>	<b>6,992</b>	<b>(2,075)</b>	<b>(30)</b>	<b>1,424</b>	<b>1,804</b>	<b>(380)</b>	<b>(21)</b>
<i>Adjusted EBITDA margin</i>	<i>19%</i>	<i>31%</i>	<i>(12) p.p.</i>		<i>19%</i>	<i>26%</i>	<i>(7) p.p.</i>	

Sales in the Meat Segment increased by 16% in 12M 2019 and 8% in Q4 2019 compared to the respective periods of prior year because of increase in production volumes of pork mainly due to CapitalAgro acquisition and launch of 3<sup>rd</sup> stage on Tambov Bacon. Sales volumes increase was partly compensated by decrease in selling prices of livestock and processed pork due to the high growth rate of domestic production and, as result, increased competition.

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 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
Sales volume (in thousand tonnes),	202	161	41	25	61	50	11	22
livestock pigs	33	27	6	22	14	9	5	56
processed pork	169	134	35	26	47	41	6	15
Average sale prices (roubles per kg, excl. VAT):								
livestock pigs	75.3	88.3	(13)	(15)	72.5	86.6	(14)	(16)
processed pork	137.6	144.6	(7)	(5)	135.2	152.7	(18)	(12)

*Cost of sales* increased by 37% due to growth in feed cost and the costs for animals health protection in 12M 2019 and also higher volumes of livestock pigs transfer to meat processing.

*Net loss on revaluation of biological assets and agricultural produce* in 12M 2019 resulted mainly from a decrease in market prices for livestock pigs during the period and a respective decrease in fair value of livestock in the closing balance.

An increase in *Distribution and selling expenses* in 12M 2019 and Q4 2019 compared to the same prior year period included an increase in transportation costs as a result of higher sales volume of processed pork and an increase in payroll costs related to CapitalAgro acquisition and launch of 3rd stage on Tambov Bacon, and also as a result an increase in the costs of marketing activities.

An increase in *General and administrative expenses* in 12M 2019 compared to prior year periods related to cost of farms in construction.

## Agricultural Segment

As at 31 December 2019 the segment's area of controlled land stands at 641 thousand hectares (31 December 2018: 652 thousand hectares), a decrease of 38 thousand hectares or 2%. The financial results of the agricultural segment for 12M 2019 and Q4 2019 compared to 12M 2018 and Q4 2018 respectively are presented below:

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
Sales	25,845	20,828	5,017	24	10,804	13,800	(2,996)	(22)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	(1,560)	2,313	(3,873)	-	685	(1,952)	2,637	-
Cost of sales	(18,583)	(14,293)	(4,290)	(30)	(9,008)	(9,725)	717	7
Net gain/ (loss) from trading derivatives	-	-	-	-	-	-	-	-
<b>Gross profit</b>	<b>5,702</b>	<b>8,848</b>	<b>(3,146)</b>	<b>(36)</b>	<b>2,481</b>	<b>2,123</b>	<b>358</b>	<b>17</b>
<i>Gross profit margin</i>	<i>22%</i>	<i>42%</i>	<i>(20) p.p.</i>		<i>23%</i>	<i>15%</i>	<i>8 p.p.</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	<i>7,262</i>	<i>6,535</i>	<i>727</i>	<i>11</i>	<i>1,796</i>	<i>4,075</i>	<i>(2,279)</i>	<i>(56)</i>
<i>Adjusted gross profit margin</i>	<i>28%</i>	<i>31%</i>	<i>(3) p.p.</i>		<i>17%</i>	<i>30%</i>	<i>(13) p.p.</i>	
Distribution and selling expenses	(2,826)	(2,360)	(466)	(20)	(819)	(1,079)	260	24
General and administrative expenses	(1,342)	(1,302)	(40)	(3)	(400)	(385)	(15)	(4)
Other operating income/ (expenses), net	(95)	(233)	138	59	8	(225)	233	-
<i>incl. reimbursement of operating costs (government grants)</i>	<i>132</i>	<i>124</i>	<i>8</i>	<i>6</i>	<i>32</i>	<i>47</i>	<i>(15)</i>	<i>(32)</i>
<b>Operating profit</b>	<b>1,439</b>	<b>4,953</b>	<b>(3,514)</b>	<b>(71)</b>	<b>1,270</b>	<b>434</b>	<b>836</b>	<b>193</b>
<b>Adjusted EBITDA</b>	<b>6,122</b>	<b>4,981</b>	<b>1,141</b>	<b>23</b>	<b>1,939</b>	<b>3,999</b>	<b>(2,060)</b>	<b>(52)</b>
<i>Adjusted EBITDA</i>	<i>24%</i>	<i>24%</i>	<i>0 p.p.</i>		<i>18%</i>	<i>29%</i>	<i>(11) p.p.</i>	

In 12M 2019 vs 2018 sales increased by RR 5,017 million thanks to higher sales price of wheat, barley and corn and higher sales of all crops as a result of transfer of sales from the end of 2018 to Q1 2019 in view of expected increase of selling prices.

In Q4 2019 vs 2018 sales decreased by RR 2,996 million as a result of sugar beet sales price drop (partly compensated by its higher sales volume), lower sales volume of barley, corn and soybean and a decrease in sales price of barley, sunflower and soybean.

Sales volumes by product were as follows:

thousand tonnes	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
sugar beet	3,875	3,489	386	11	2,931	2,509	422	17
wheat	831	510	321	63	357	322	35	11
barley	278	152	126	83	30	37	(7)	(19)
corn	156	109	47	43	19	30	(11)	(37)
sunflower seeds	80	54	26	48	70	50	20	40
soybean	225	91	134	147	51	57	(6)	(11)
other	8	51	(43)	(84)	3	17	(14)	(82)

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

RR per kilogram, excl. VAT	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
sugar beet	1.6	2.5	(0.9)	(36)	1.5	2.6	(1.1)	(42)
wheat	10.4	8.8	1.6	18	9.5	9.2	0.3	3
barley	10.2	9.6	0.6	6	8.6	11.4	(2.8)	(25)
corn	12.6	10.1	2.5	25	12.9	11.7	1.2	10
sunflower seeds	17.3	18.6	(1.3)	(7)	17.2	18.7	(1.5)	(8)
soybean	20.5	23.5	(3.0)	(13)	22.0	24.2	(2.2)	(9)
other	6.3	6.4	(0.1)	(2)	7.3	6.2	1.1	18

*Net gain on revaluation of biological assets and agricultural produce* in 12M 2019 represents the gain recognised from revaluation of crops for 2018 harvest, which is partly compensated by the realisation of loss from revaluation of 2018 crops harvest remained in stock as at 31 December 2018 and being sold to customers during 2019.

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

*Distribution and selling expenses* increased by RR 466 million in 12M 2019 vs 2018 as there was higher level of crops in stock at the beginning of the year and higher volumes of crops were sold in 2019 compared to 2018.

*Other operating expenses* decreased by RR 138 million in 12M 2019 vs 2018 mainly as a result of lower level of PPE disposal and other losses.



## Oil and Fat segment

The financial results of the oil and fat segment for 12M 2019 and Q4 2019 compared to 12M 2018 and Q4 2018 respectively are presented below:

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
Sales	62,375	26,286	36,089	137	17,796	11,619	6,177	53
Cost of sales	(53,461)	(21,355)	(32,106)	(150)	(15,081)	(10,208)	(4,873)	(48)
<b>Gross profit</b>	<b>8,914</b>	<b>4,931</b>	<b>3,983</b>	<b>81</b>	<b>2,715</b>	<b>1,411</b>	<b>1,304</b>	<b>92</b>
<i>Gross profit margin</i>	<i>14%</i>	<i>19%</i>	<i>(5) p.p.</i>		<i>15%</i>	<i>12%</i>	<i>3 p.p.</i>	
Distribution and selling expenses	(4,408)	(1,780)	(2,628)	(148)	(645)	(197)	(448)	(227)
General and administrative expenses	(1,604)	(848)	(756)	(89)	(413)	(242)	(171)	(70)
Other operating income/ (expenses). net	(453)	77	(530)	-	(243)	28	(271)	-
<b>Operating profit/ (loss)</b>	<b>2,449</b>	<b>2,380</b>	<b>69</b>	<b>3</b>	<b>1,414</b>	<b>1,000</b>	<b>414</b>	<b>41</b>
<b>Adjusted EBITDA</b>	<b>3,658</b>	<b>2,872</b>	<b>786</b>	<b>27</b>	<b>1,986</b>	<b>1,108</b>	<b>878</b>	<b>79</b>
<i>Adjusted EBITDA margin</i>	<i>6%</i>	<i>11%</i>	<i>(5) p.p.</i>		<i>11%</i>	<i>10%</i>	<i>1 p.p.</i>	

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

In RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
<b>Sales. incl.</b>	<b>62,375</b>	<b>26,286</b>	<b>36,089</b>	<b>137</b>	<b>17,796</b>	<b>11,619</b>	<b>6,177</b>	<b>53</b>
<i>Samara oil plant</i>	45,229	17,310	27,919	161	12,906	9,362	3,544	38
<i>Ekaterinburg fat plant</i>	35,536	12,274	23,262	190	10,882	5,411	5,471	101
<i>Far East</i>	3,043	3,443	(400)	(12)	667	937	(270)	(29)
<i>Eliminations(*)</i>	(21,433)	(6,741)	(14,692)	(218)	(6,659)	(4,091)	(2,568)	(63)
<b>Gross profit. incl.</b>	<b>8,914</b>	<b>4,931</b>	<b>3,983</b>	<b>81</b>	<b>2,715</b>	<b>1,411</b>	<b>1,304</b>	<b>92</b>
<i>Samara oil plant</i>	5,525	2,134	3,391	159	1,673	666	1,007	151
<i>Ekaterinburg fat plant</i>	4,335	2,387	1,948	82	1,325	680	645	95
<i>Far East</i>	84	536	(452)	(84)	40	71	(31)	(44)
<i>Eliminations(*)</i>	(1,030)	(126)	(904)	(717)	(323)	(6)	(317)	(5)
<b>Adjusted EBITDA. incl.</b>	<b>3,658</b>	<b>2,872</b>	<b>786</b>	<b>27</b>	<b>1,986</b>	<b>1,108</b>	<b>878</b>	<b>79</b>
<i>Samara oil plant</i>	2,804	1,687	1,117	66	1,615	752	863	115
<i>Ekaterinburg fat plant</i>	877	957	(80)	(8)	368	355	13	4
<i>Far East</i>	(59)	252	(311)	-	15	(8)	23	-
<i>Eliminations(*)</i>	36	(24)	60	-	(12)	9	(21)	-
<b>Adjusted EBITDA margin</b>	<b>6%</b>	<b>11%</b>	<b>(5) p.p.</b>		<b>11%</b>	<b>10%</b>	<b>1 p.p.</b>	
<i>Samara oil plant</i>	6%	10%	(4) p.p.		13%	8%	4 p.p.	
<i>Ekaterinburg fat plant</i>	2%	8%	(6) p.p.		3%	7%	(4) p.p.	
<i>Far East</i>	(2%)	7%	(9) p.p.		2%	(1%)	3 p.p.	

(\*) 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 tonnes	Year ended		Variance		Three months ended		Variance	
	31	31	Units	%	31	31	Units	%
	December 2019	December 2018			December 2019	December 2018		
mayonnaise	136	48	88	183	43	16	27	169
margarine	45	29	16	55	14	9	5	56
bottled oil	147	97	50	52	43	45	(2)	(4)
industrial fats	243	10	233	2,330	81	4	77	1,925
bulk oil	406	168	238	142	107	83	24	29
meal	647	302	345	114	178	129	49	38

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 2019	December 2018			December 2019	December 2018		
mayonnaise	80.1	81.3	(1.2)	(1)	80.7	81.3	(0.6)	(1)
margarine	80.3	83.1	(2.8)	(3)	79.1	86.2	(7.1)	(8)
bottled oil	53.7	55.7	(2.0)	(4)	53.3	56.5	(3.2)	(6)
industrial fats	48.4	53.4	(5.0)	(9)	49.0	59.3	(10.3)	(17)
bulk oil	44.4	45.7	(1.3)	(3)	44.5	47.7	(3.2)	(7)
meal	14.2	17.2	(3.0)	(17)	12.2	15.7	(3.5)	(22)

*Sales* of all oil and fats products increased as a result of tolling scheme with SolPro assets (during 1H 2019) and increased capacity, rented from SolPro (during 2H 2019). At the same time, EBITDA margin decreased to 6% in 12M 2019 as all sales for 1H 2019 have been transferred to Rusagro, while profit remained on SolPro entities and has been further withdrawn through interest income reflected in Other segment below EBITDA. Starting from July 2019 all the SolPro plants are rented by Rusagro and margin is reflected in Rusagro's EBITDA. EBITDA margin has increased by 5 p.p. in 2H 2019 compared to 1H 2019.

Increase in *Distribution and selling expenses* by RR 2,628 million in 12M 2019 is mainly attributed to higher transportation and loading services expenses related to an increase in sales volume in Oil and Fat Segment. Increase by RR 363 million was related to SolPro personnel added to EZhK.

Increase in *General and administrative expenses* by RR 756 million in 12M 2019 and by RR 170 million in Q4 2019 compared to the prior period is attributed to acquisition of SolPro employees in the beginning of 2019. Increase by RR 317 million was related to rent of SolPro's storage space.

Increase in *Other operating expenses* by RR 530 million in 12M 2019 was mainly due to write-off of RR 175 million as result of sunflower technological losses and RR 201 million as result of Pugachevskiy Elevator liquidation.

## Milk Products Segment

The financial results of the Milk Products Segment for 12M 2019 and Q4 2019 as compared to 12M 2018 and Q4 2018 respectively are presented in the table below:

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
Sales	3,870	855	3,015	353	1,041	855	186	22
Cost of sales	(3,501)	(750)	(2,751)	(367)	(923)	(750)	(173)	(23)
<b>Gross profit</b>	<b>369</b>	<b>105</b>	<b>264</b>	<b>251</b>	<b>118</b>	<b>105</b>	<b>13</b>	<b>12</b>
<i>Gross profit margin</i>	<i>10%</i>	<i>12%</i>	<i>(2) p.p.</i>		<i>11%</i>	<i>12%</i>	<i>(1) p.p.</i>	
Distribution and selling expenses	(175)	(36)	(139)	(386)	(75)	(36)	(39)	(108)
General and administrative expenses	(132)	(9)	(123)	(1,367)	(28)	(9)	(19)	(211)
Other operating income/ (expenses). net	(11)	8	(19)	-	1	8	(7)	(94)
<b>Operating profit</b>	<b>51</b>	<b>68</b>	<b>(17)</b>	<b>(25)</b>	<b>15</b>	<b>68</b>	<b>(53)</b>	<b>(78)</b>
<b>Adjusted EBITDA</b>	<b>63</b>	<b>60</b>	<b>3</b>	<b>5</b>	<b>15</b>	<b>60</b>	<b>(45)</b>	<b>(76)</b>
<i>Adjusted EBITDA margin</i>	<i>2%</i>	<i>7%</i>	<i>(5) p.p.</i>		<i>1%</i>	<i>7%</i>	<i>(6) p.p.</i>	

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

Sales volumes by product were as follows:

Thousand tonnes	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
cheese and cheese product	8	2	6	300	2	2	-	-
butter and spread	2	1	1	100	-	1	(1)	-
dry mixes	15	5	10	200	4	5	(1)	(20)
cream	1	-	1	-	1	-	1	-

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

RR per kilogram. excl. VAT	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
cheese and cheese product	217.9	204.4	13.5	7	219.9	204.4	15.5	8
butter and spread	273.5	259.4	14.1	5	227.3	259.4	(32.1)	(12)
dry mixes	79.4	74.6	4.8	6	77.7	74.6	3.1	4
cream	200.6	-	200.6	-	204.3	-	204.3	-

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

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

in mln Roubles	Year ended		Variance		Three months ended		Variance	
	31 December 2019	31 December 2018	Units	%	31 December 2019	31 December 2018	Units	%
<b>Net cash from operating activities, incl.</b>	<b>21,165</b>	<b>(7,672)</b>	<b>28,837</b>	<b>-</b>	<b>(7,133)</b>	<b>(20,713)</b>	<b>13,580</b>	<b>66</b>
<i>Operating cash flow before working capital changes</i>	19,423	16,618	2,805	17	5,821	5,889	(68)	(1)
<i>Working capital changes</i>	1,948	(23,009)	24,957	-	(12,704)	(25,933)	13,229	51
<b>Net cash from investing activities, incl.</b>	<b>(24,324)</b>	<b>(14,402)</b>	<b>(9,922)</b>	<b>(69)</b>	<b>(3,654)</b>	<b>-</b>	<b>(3,654)</b>	<b>-</b>
<i>Purchases of property plant and equipment and inventories intended for construction</i>	(16,799)	(14,864)	(1,934)	(13)	(4,409)	(2,767)	(1,641)	(59)
<b>Net cash from financing activities</b>	<b>3,673</b>	<b>18,779</b>	<b>(15,106)</b>	<b>(80)</b>	<b>7,946</b>	<b>15,193</b>	<b>(7,247)</b>	<b>(48)</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>(72)</b>	<b>162</b>	<b>(235)</b>	<b>-</b>	<b>43</b>	<b>19</b>	<b>23</b>	<b>121</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>442</b>	<b>(3,132)</b>	<b>3,574</b>	<b>-</b>	<b>(2,798)</b>	<b>(5,500)</b>	<b>2,702</b>	<b>49</b>

(\*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in 12M 2019 were made in the Meat Segment in the amount of RR 10,851 million (12M 2018: RR 9,367 million), related to the construction project in the Tambov and Far East regions and slaughterhouse expansion. Significant investments were also made in Sugar Segment in the amount of RR 3,408 million (12M 2018: RR 3,086 million) for construction of second desugarisation line. Investments in the Oil and Fat Segment amounted to RR 519 million (12M 2018: RR 1,158 million) and in the Agriculture Segment amounted to RR 2,021 million (12M 2018: RR 1,953 million), related to purchases of machinery and equipment.

## Debt position and liquidity management

in RR million	31 December 2019	31 December 2018	Variance	
			Units	%
<b>Gross debt</b>	<b>97,876</b>	<b>95,102</b>	<b>2,774</b>	<b>3</b>
<i>Short-term borrowings</i>	31,835	32,514	(679)	(2)
<i>Long-term borrowings</i>	66,041	62,588	3,453	6
<b>Cash and cash equivalents, bank deposits and bonds</b>	<b>(36,136)</b>	<b>(40,759)</b>	<b>4,623</b>	<b>11</b>
<i>Short-term cash, deposits and bonds</i>	(2,171)	(4,543)	2,372	52
<i>Long-term cash, deposits and bonds</i>	(33,965)	(36,216)	2,251	6
<b>Net debt</b>	<b>61,740</b>	<b>54,342</b>	<b>7,398</b>	<b>14</b>
<i>Short-term borrowings, net</i>	29,664	27,971	1,693	6
<i>Long-term borrowings, net</i>	32,076	26,371	5,705	22
<b>Adjusted EBITDA (LTM<sup>4</sup>)</b>	<b>20,045</b>	<b>16,179</b>	<b>3,866</b>	<b>24</b>
<b>Net debt/ Adjusted EBITDA (LTM)</b>	<b>3.08</b>	<b>3.36</b>	<b>(0.28)</b>	

## Net finance income/ (expense)

in RR million	Year ended		Variance		Three months ended		Variance	
	31	31	Units	%	31	31	Units	%
	December 2019	December 2018			December 2019	December 2018		
<b>Net interest expense</b>	<b>(5,481)</b>	<b>(2,884)</b>	<b>(2,597)</b>	<b>(90)</b>	<b>(1,539)</b>	<b>(1,147)</b>	<b>(392)</b>	<b>(34)</b>
<i>Gross interest expense</i>	(6,829)	(4,000)	(2,829)	(71)	(1,959)	(1,605)	(354)	(22)
<i>Reimbursement of interest expense</i>	1,348	1,116	232	21	420	458	(38)	(8)
<b>Interest income</b>	<b>7,305</b>	<b>4,003</b>	<b>3,302</b>	<b>82</b>	<b>1,293</b>	<b>1,295</b>	<b>(2)</b>	<b>(0)</b>
<b>Net gain/ (loss) from bonds held for trading</b>	<b>(28)</b>	<b>(42)</b>	<b>14</b>	<b>33</b>	<b>(7)</b>	<b>(13)</b>	<b>6</b>	<b>46</b>
<b>Other financial income for business purposes, net</b>	<b>260</b>	<b>(167)</b>	<b>427</b>	<b>-</b>	<b>242</b>	<b>(130)</b>	<b>372</b>	<b>-</b>
<i>Net foreign exchange gain/ (loss)</i>	211	(16)	227	-	243	40	203	508
<i>Other financial income / (expenses), net</i>	49	(151)	200	-	(1)	(170)	169	99
<b>Total net finance income / (expenses) for business purposes</b>	<b>2,056</b>	<b>910</b>	<b>1,146</b>	<b>126</b>	<b>(11)</b>	<b>5</b>	<b>(16)</b>	<b>-</b>
<i>Lease finance cost due to IFRS16 adoption</i>	(591)	-	(591)	-	(591)	-	(591)	-
<b>Total net finance income/ (expenses)</b>	<b>1,465</b>	<b>910</b>	<b>555</b>	<b>61</b>	<b>(602)</b>	<b>5</b>	<b>(607)</b>	<b>-</b>

In Q4 2019 the Group continued to enjoy benefits from the state agriculture subsidies programme. The Group continued to receive bank loans with decreased preferential interest rates under the programme of government support. Under this programme, the government provides subsidies to the banks to compensate the loss of income on credits with decreased interest rates, given by the banks to agricultural producers. In Q4 2019 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 presented in interest expenses in a statement of comprehensive income.

Net finance income in 12M 2018 in the sum of RR 910 million increased to net finance income in amount of RR 1,465 million in the 12M 2019 as the result of accrual of interest on rights to claims SolPro entities and interest receivable on bonds RSHB, compensating effect of interest on new loans from RSHB, Sberbank and Alfa bank (as a result of a decrease in interest capitalization).

New lease finance costs have been recognized in Finance expenses as part of IFRS16 adoption in the amount of RR 591 million.

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*(1) The exchange rates used for translation of RR amounts into USD represent average Central Bank official exchange rate for the respective reporting period for income, expenses and profits and the Central Bank official exchange rate as at the reporting date for balance figures.*

*(2) Adjusted EBITDA is defined as operating profit before taking into account (i) depreciation included in operating profit, (ii) other 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:*

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

*Meat:*

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

*Agricultural:*

The Group currently controls one of the largest land banks among Russian agriculture producers, with 641 thousand hectares of land under control located in the highly fertile Black Earth region of Russia (in the Belgorod, Tambov, Voronezh, Kursk and Orel regions) and in the Far East Primorie Region. Land and production sites are strategically located within the same regions to optimize efficiency and minimize logistical costs. Rusagro is one of the major sugar beet producers in Russia, but it also produces wheat and barley, sunflower seeds and soybeans. These products are partially consumed by the Meat Segment, supporting a synergistic effect and lowering price change risk.

*Oil and Fat:*

Rusagro is the leading crude sunflower oil and consumer margarine producer, second largest industrial fats and mayonnaise producer in Russia with products sold under eight key brands, such as EZhK, Schedroye Leto, Mechta Khozyaiki, Moskovskiy Provansal, Novosibirskiy Provansal, Saratovskiy Provansal, Rossiyanka and Saratovskiy Slivochniy. The Group operates (including through ownership and the lease) five crushing and three oil and fats plants. Own sunflower and soy oil production allows to control the source of the vegetable oil required to produce oil and fats products.

*Milk Products:*

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

## **Forward-looking statements**

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

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

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

**Rusagro management is organizing a conference call about its 12M and Q4 2019 financial results for investors and analysts.**

*Details of the call:*

Date	10 March 2020
Time	4:00 PM (Moscow) / 1:00 PM (London)
Subject	ROS AGRO PLC 12M and 4Q 2019 Financial results
UK Toll Free	0800 376 6183
UK Local Line	+44 207 194 3759
USA Toll Free	1 844 286 06 43
USA Local Line	+1 646 722 49 16
Russia Toll Free	8 800 500 9863
Russian Local Line	+7 495 646 9315
Conference ID	<b>78977041#</b>

### **Contacts:**

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**Appendix 1. Consolidated statement of comprehensive income for the Year ended 31 December 2019 (in RR thousand)**

	Year ended 31 December		Three months ended 31 December	
	2019	2018	2019	2018
Sales	138,172,424	82,977,711	39,096,396	30,776,728
Net gain/(loss) on revaluation of biological assets and agricultural produce	(4,111,947)	2,850,788	(827,618)	(1,360,140)
Cost of sales	(110,470,963)	(61,679,842)	(31,022,678)	(24,314,448)
Net gain/(loss) from trading derivatives	(7,348)	8,890	(2,203)	2,527
<b>Gross profit</b>	<b>23,582,166</b>	<b>24,157,547</b>	<b>7,243,897</b>	<b>5,104,667</b>
Distribution and selling expenses	(9,818,779)	(6,960,090)	(2,191,394)	(2,004,092)
General and administrative expenses	(6,711,005)	(5,168,528)	(1,561,803)	(1,107,797)
Other operating income/ (expenses), net	1,926,686	593,112	1,188,855	1,125,183
<b>Operating profit / (loss)</b>	<b>8,979,068</b>	<b>12,622,041</b>	<b>4,679,555</b>	<b>3,117,961</b>
Interest expense	(5,481,240)	(2,884,418)	(1,538,872)	(1,147,236)
Interest income	7,304,845	4,002,952	1,292,723	1,294,584
Net (loss)/gain from bonds	(27,711)	(41,940)	(7,062)	(12,670)
Other financial income/ (expenses), net	(330,699)	(166,842)	(349,623)	(130,757)
<b>Profit before income tax</b>	<b>10,444,263</b>	<b>13,531,793</b>	<b>4,076,721</b>	<b>3,121,882</b>
Income tax expense	(735,754)	(703,830)	(587,236)	(271,446)
<b>Profit for the period</b>	<b>9,708,509</b>	<b>12,827,963</b>	<b>3,489,485</b>	<b>2,850,436</b>
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>9,708,509</b>	<b>12,827,963</b>	<b>3,489,485</b>	<b>2,850,436</b>
<b>Profit is attributable to:</b>				
Owners of ROS AGRO PLC	9,808,204	12,807,823	3,505,400	2,850,607
Non-controlling interest	(99,695)	20,140	(15,915)	(171)
<b>Profit for the period</b>	<b>9,708,509</b>	<b>12,827,963</b>	<b>3,489,485</b>	<b>2,850,436</b>
<b>Total comprehensive income is attributable to:</b>				
Owners of ROS AGRO PLC	9,808,204	12,807,823	3,505,400	2,850,607
Non-controlling interest	(99,695)	20,140	(15,915)	(171)
<b>Total comprehensive income for the period</b>	<b>9,708,509</b>	<b>12,827,963</b>	<b>3,489,485</b>	<b>2,850,436</b>
Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share)	364.62	476.15	130.31	105.97

**Appendix 2. Segment information for the Year ended 31 December 2019 (in RR thousand)**

<b>12M 2019</b>	<b>Sugar</b>	<b>Meat</b>	<b>Agriculture</b>	<b>Oil and Fat</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
Sales	31,194,715	25,833,637	25,844,693	62,375,087	4,164,293	(11,240,001)	138,172,424
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(852,455)	(1,559,526)	-	-	(1,699,966)	(4,111,947)
Cost of sales	(25,758,275)	(21,717,486)	(18,583,596)	(53,461,301)	(3,640,734)	12,690,429	(110,470,963)
<i>incl. Depreciation</i>	<i>(1,925,029)</i>	<i>(2,696,297)</i>	<i>(2,462,063)</i>	<i>(472,629)</i>	<i>(12,507)</i>	<i>(70,938)</i>	<i>(7,639,463)</i>
Net loss from trading derivatives	(7,342)	-	-	-	(6)	-	(7,348)
<b>Gross profit / (loss)</b>	<b>5,429,098</b>	<b>3,263,696</b>	<b>5,701,571</b>	<b>8,913,786</b>	<b>523,553</b>	<b>(249,538)</b>	<b>23,582,166</b>
Distribution and Selling, General and administrative expenses	(3,516,890)	(2,135,635)	(4,168,971)	(6,011,841)	(1,606,311)	909,864	(16,529,784)
<i>incl. Depreciation</i>	<i>(74,134)</i>	<i>(183,169)</i>	<i>(437,344)</i>	<i>(141,980)</i>	<i>(74,800)</i>	<i>70,938</i>	<i>(840,489)</i>
Other operating income/(expenses), net	544,406	326,251	(95,492)	(452,519)	14,973,889	(13,369,849)	1,926,686
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>71,290</i>	<i>56,562</i>	<i>130,623</i>	<i>141,791</i>	<i>-</i>	<i>-</i>	<i>400,266</i>
<b>Operating profit / (loss)</b>	<b>2,456,614</b>	<b>1,454,312</b>	<b>1,437,108</b>	<b>2,449,426</b>	<b>13,891,131</b>	<b>(12,709,523)</b>	<b>8,979,068</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	1,999,163	2,879,466	2,899,407	614,609	87,307	-	8,479,952
Other operating (income) /expenses, net	(544,406)	(326,251)	95,492	452,519	(14,973,889)	13,369,849	(1,926,686)
Reimbursement of operating costs (government grants)	71,290	56,562	130,623	141,791	-	-	400,266
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	852,455	1,559,526	-	-	1,699,966	4,111,947
<b>Adjusted EBITDA*</b>	<b>3,982,661</b>	<b>4,916,544</b>	<b>6,122,156</b>	<b>3,658,345</b>	<b>(995,451)</b>	<b>2,360,292</b>	<b>20,044,547</b>

\* Non-IFRS measure

**Appendix 2 (continued). 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)	2,313,300	-	-	1,079,896	2,850,788
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>(3,982)</i>	<i>(24,273)</i>	<i>(5,982,004)</i>
Net gain/ (loss) from trading derivatives	8,890	-	-	-	-	-	8,890
<b>Gross profit</b>	<b>6,632,020</b>	<b>5,910,285</b>	<b>8,848,296</b>	<b>4,931,158</b>	<b>236,290</b>	<b>(2,400,502)</b>	<b>24,157,547</b>
Distribution and Selling, General and administrative expenses	(3,804,518)	(1,697,910)	(3,662,569)	(2,628,767)	(833,119)	498,265	(12,128,618)
<i>incl. Depreciation</i>	<i>(95,515)</i>	<i>(73,868)</i>	<i>(418,357)</i>	<i>(150,597)</i>	<i>(26,929)</i>	<i>24,273</i>	<i>(740,993)</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>5,737,851</b>	<b>4,874,485</b>	<b>4,952,302</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	(2,313,300)	-	-	(1,079,896)	(2,850,788)
<b>Adjusted EBITDA *</b>	<b>4,881,634</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>16,179,075</b>

\* Non-IFRS measure

**Appendix 3. Consolidated statement of financial position as at 31 December 2019  
(in RR thousand)**

	<b>31 December 2019</b>	<b>31 December 2018</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,170,779	1,728,396
Restricted cash	39	49
Short-term investments	23,456,552	8,551,238
Trade and other receivables	8,068,349	6,226,403
Prepayments	3,018,658	2,194,971
Current income tax receivable	225,315	533,459
Other taxes receivable	4,349,400	4,420,011
Inventories and short-term biological assets	49,386,797	53,076,878
<b>Total current assets</b>	<b>90,675,889</b>	<b>76,731,405</b>
<b>Non-current assets</b>		
Property, plant and equipment	80,629,483	68,606,452
Inventories intended for construction	3,157,369	4,136,855
Right-of-use assets	6,230,707	
Goodwill	2,364,942	2,364,942
Advances paid for non-current assets	8,721,155	9,681,448
Long-term biological assets	2,279,335	2,650,201
Long-term investments and receivables	42,636,323	54,494,252
Investments in associates	165,070	7,320
Deferred income tax assets	1,852,983	1,866,593
Other intangible assets	608,635	2,202,786
Other non-current assets	173,002	215,417
Non-current assets held for sale	-	820,950
<b>Total non-current assets</b>	<b>148,819,004</b>	<b>147,047,216</b>
<b>Total assets</b>	<b>239,494,893</b>	<b>223,778,621</b>
<b>LIABILITIES and EQUITY</b>		
<b>Current liabilities</b>		
Short-term borrowings	31,834,699	32,513,595
Lease liabilities	916,791	
Trade and other payables	17,492,614	12,190,160
Current income tax payable	123,846	60,913
Other taxes payable	3,468,034	4,023,943
<b>Total current liabilities</b>	<b>53,835,984</b>	<b>48,788,611</b>
<b>Non-current liabilities</b>		
Long-term borrowings	66,040,784	62,587,531
Government grants	8,306,779	7,310,975
Lease liabilities	3,989,801	
Deferred income tax liability	494,977	359,051
Other non-current liabilities	-	2,465,813
<b>Total non-current liabilities</b>	<b>78,832,341</b>	<b>62,587,531</b>
<b>Total liabilities</b>	<b>132,668,325</b>	<b>121,511,981</b>
<b>Equity</b>		
Share capital	12,269	12,269
Treasury shares	(490,607)	(490,607)
Additional paid-in capital	26,964,479	26,964,479
Other reserves	1,313,691	1,326,579
Retained earnings	78,960,843	74,286,089
<b>Equity attributable to owners of ROS AGRO PLC</b>	<b>106,760,675</b>	<b>102,098,809</b>
Non-controlling interest	65,893	167,831
<b>Total equity</b>	<b>106,826,568</b>	<b>102,266,640</b>
<b>Total liabilities and equity</b>	<b>239,494,893</b>	<b>223,778,621</b>

**Appendix 4. Consolidated statement of cash flows for the Year ended 31 December 2019 (in RR thousand) – NOT IFRS PRESENTATION (\*)**

	Year ended	
	31 December 2019	31 December 2018
<b>Cash flows from operating activities</b>		
Profit before income tax	10,444,263	13,531,793
<i>Adjustments for:</i>		
Depreciation and amortization	8,479,952	7,788,465
Interest expense	6,829,598	4,000,443
Government grants	(2,363,233)	(1,915,530)
Interest income	(7,304,845)	(4,002,952)
Loss / (gain) on disposal of property, plant and equipment	110,601	126,228
Net (gain) / loss on revaluation of biological assets and agricultural produce	4,111,947	(2,850,788)
Loss / (gain) on sale of assets held for sale	412,111	-
Lease finance expense	590,777	-
Realised deferred day-one gain	(1,592,001)	(274,111)
Change in provision for net realisable value of inventory	(29,168)	63,905
Change in provision for impairment of receivables and prepayments	75,855	61,704
Foreign exchange (gain) / loss, net	(177,728)	63,468
Share based remuneration	(12,888)	18,391
Lost / (reversal of) harvest write-off	122,468	70,580
Net (gain) / loss from bonds held for trading	27,711	41,934
Settlement of loans and accounts receivable previously written-off	(147)	(139)
Change in provision for impairment of advances paid for property, plant and equipment	29,066	(38,852)
Loss / (gain) on disposal of subsidiaries, net	(364,880)	-
Loss on disposal of other assets		102,997
Gain from reposition of collateral		(316,023)
Other non-cash and non-operating expenses, net	33,552	146,758
<b>Operating cash flow before working capital changes</b>	<b>19,423,011</b>	<b>16,618,271</b>
Change in trade and other receivables and prepayments	(2,509,233)	(4,050,515)
Change in other taxes receivable	70,610	(1,050,067)
Change in inventories and short-term biological assets	(87,367)	(20,858,342)
Change in trade and other payables	4,902,852	2,808,297
Change in other taxes payable	(428,669)	141,469
<b>Cash generated from operations</b>	<b>21,371,204</b>	<b>(6,390,887)</b>
Income tax paid	(206,139)	(1,281,174)
<b>Net cash from operating activities</b>	<b>21,165,065</b>	<b>(7,672,061)</b>

**Appendix 4 (continued). Consolidated statement of cash flows for the Year ended 31 December 2019 (in RR thousand) – NOT IFRS PRESENTATION (\*)**

	<b>31 December 2019</b>	<b>Year ended 31 December 2018</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(15,056,765)	(12,895,786)
Purchases of other intangible assets	(261,046)	(351,141)
Proceeds from sales of property, plant and equipment	288,096	75,168
Purchases of inventories intended for construction	(1,741,948)	(1,968,594)
Purchases of associates	(78,150)	-
Purchases of investments in third parties	(8,500,000)	-
Investments in subsidiaries, net of cash acquired	-	(534,450)
Movement in restricted cash	(6,241)	658
Proceeds from sale of subsidiaries, net of cash disposed	478,710	-
Proceeds from sale of assets held for sale	408,839	-
Purchases of other assets	-	(52,532)
Proceeds from sales of other assets	-	1,325,100
Proceeds from sales of other investments	145,000	-
<b>Net cash from investing activities</b>	<b>(24,323,505)</b>	<b>(14,401,577)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	91,687,403	49,981,866
Repayment of borrowings	(91,118,861)	(25,326,315)
Interest and other finance cost paid	(5,024,201)	(3,569,972)
Purchases of promissory notes*	-	(100,000)
Proceeds from sales of promissory notes*	100,000	-
Proceeds from cash withdrawals from deposits*	4,623,323	20,966,068
Deposits placed with banks*	(2,012,991)	(6,139,044)
Purchases of bonds with maturity over three months*	-	(19,900,000)
Proceeds from sales of bonds with maturity over* three months*	2,314,831	-
Purchases of loan issued*	(372,899)	(882,492)
Loans repaid*	1,864,061	369,008
Interest received*	4,820,116	4,524,153
Proceeds from government grants	2,086,446	2,309,106
Purchases of non-controlling interest	(600)	(58,574)
Dividends paid to owners Ros Agro PLC (Repayment)/proceeds of lease liabilities-principal	(5,046,515)	(3,485,666)
	(235,859)	11,942
Other financial activities	(10,998)	79,377
<b>Net cash from financing activities</b>	<b>3,673,256</b>	<b>18,779,457</b>
Net effect of exchange rate changes on cash and cash equivalents	(72,433)	162,242
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>442,383</b>	<b>(3,131,939)</b>
Cash and cash equivalents at the beginning of the period	1,728,396	4,860,335
<b>Cash and cash equivalents at the end of the period</b>	<b>2,170,779</b>	<b>1,728,396</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.