

ROS AGRO PLC

Investors Presentation

1H 2018 and Q2 2018



13 August 2018

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Section 1

Summary Key Indicators (IFRS)

1H 2018 and Q2 2018 vs 1H 2017 and Q2 2017

Net revenue, Adjusted EBITDA: Actual Q2 2018 vs Actual Q2 2017

Comments

Net Revenue decreased by RR 1,431 million (-8%):

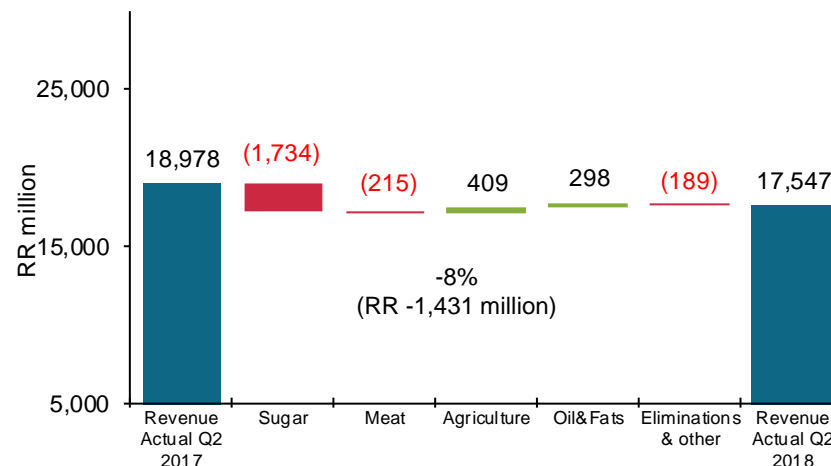
- Sugar sales decreased by RR 1,734 million (-24%) as a result of a decrease in sales prices of sugar and buckwheat and a decrease in sales volume of sugar.
- Meat sales decreased by RR 215 million (-4%) due to a decrease in sales price and sales volume of livestock pigs that was partly compensated by increase in sales volume and sales price of processed pork.
- Agriculture sales increased by RR 409 million (+31%) thanks to higher sales volume of crops and increase in sales price of all crops in Q2 2018.
- Oil & Fats sales increased by RR 298 million (+6%) as a result of an increase in sales volume of bottled oil and increase in sales prices of bulk oil, meal and margin which was partly offset by a decrease in sales volume of mayonnaise, margarine and bulk oil.

Adjusted EBITDA margin increased from 14% in Q2 2017 to 23% in Q2 2018.

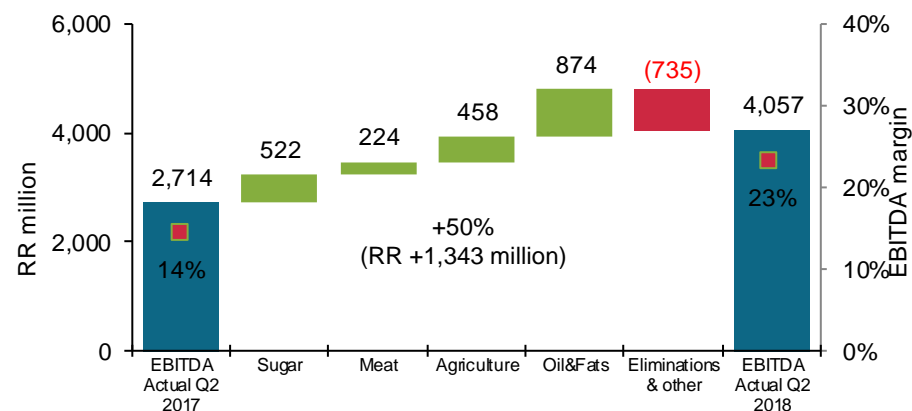
Adjusted EBITDA increased by RR 1,343 million or 50%.

All divisions showed an increase in Adjusted EBITDA.

Net revenue (IFRS) Actual Q2 2018 vs Actual Q2 2017



Adjusted EBITDA Actual Q2 2018 vs Actual Q2 2017



Net revenue, Adjusted EBITDA: Actual 1H 2018 vs Actual 1H 2017

Comments

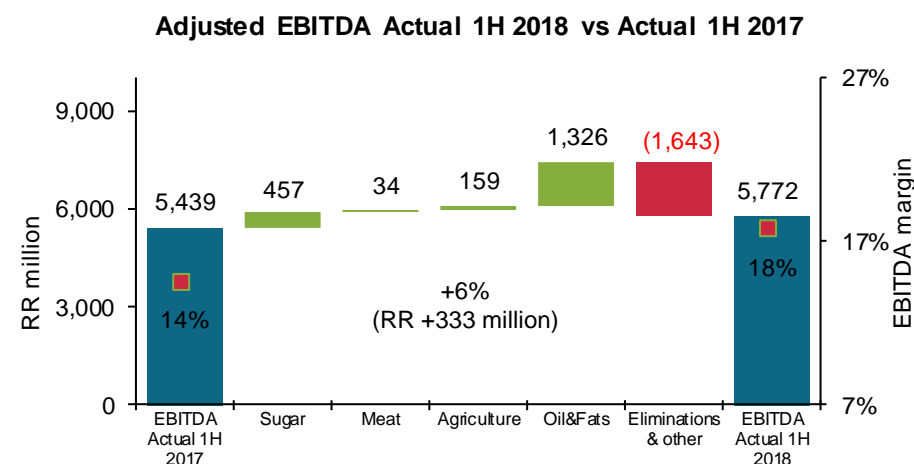
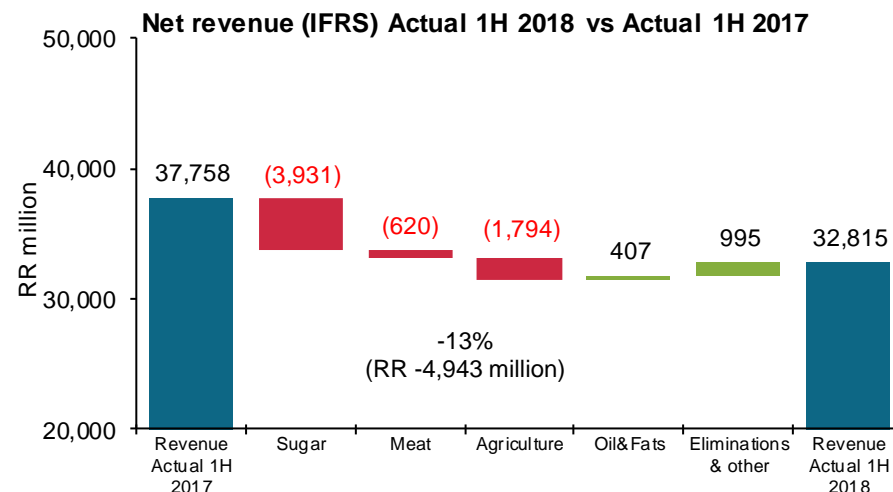
Net Revenue decreased by RR 4,943 million (-13%):

- Sugar sales decreased by RR 3,931 million (-27%) as a result of a decrease in sales prices of sugar and buckwheat and a decrease in sales volume of sugar.
- Meat sales decreased by RR 620 million (-6%) due to a decrease in sales price and sales volume of livestock pigs that was partly compensated by increase in sales volume of processed pork.
- Agriculture sales decreased by RR 1,794 million (-36%) mainly due to a decrease in sales volumes of almost all crops and lower sales price of sugar beet in 1H 2018.
- Oil & Fats sales increased by RR 407 million (+4%) as a result of an increase in sales volume of bottled oil and an increase in sale prices of meal which was partly offset by a decrease in sales volume of all products (excl. bottled oil) and decrease in a sales prices of bottled oil.

Adjusted EBITDA margin increased from 14% in 1H 2017 to 18% in 1H 2018.

Adjusted EBITDA increased by RR 333 million or 6%.

All divisions showed an increase in Adjusted EBITDA.



Statement of Comprehensive income (IFRS)

ROS AGRO PLC



RR million

| Description | Actual 1H 2018 | Actual 1H 2017 | Variances | | Actual 2Q 2018 | Actual 2Q 2017 | Variances | |
|---|----------------|----------------|----------------|--------------|----------------|----------------|----------------|--------------|
| | | | Units | % | | | Units | % |
| Sales | 32,815 | 37,758 | (4,943) | (13) | 17,547 | 18,978 | (1,431) | (8) |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | (900) | (3,393) | 2,493 | 73 | (542) | (1,425) | 883 | 62 |
| Cost of sales | (23,839) | (28,934) | 5,095 | 18 | (11,885) | (14,537) | 2,652 | 18 |
| Net gain/ (loss) from trading derivatives | 5 | (3) | 7 | 272 | 6 | 2 | 4 | 193 |
| Gross profit | 8,080 | 5,428 | 2,652 | 49 | 5,125 | 3,018 | 2,107 | 70 |
| Distribution and selling expenses | (3,329) | (3,846) | 517 | 13 | (1,669) | (1,753) | 83 | 5 |
| General and administrative expenses | (2,642) | (2,224) | (418) | (19) | (1,318) | (1,259) | (59) | (5) |
| Other operating (expenses)/ income, net | (23) | (117) | 94 | 80 | 9 | (191) | 200 | 105 |
| Operating profit / (loss) | 2,086 | (759) | 2,845 | 375 | 2,147 | (185) | 2,332 | 1,261 |
| Interest expense | (1,079) | (1,324) | 245 | 18 | (397) | (483) | 86 | 18 |
| Interest income | 1,815 | 2,105 | (290) | (14) | 873 | 971 | (98) | (10) |
| Net gain/ (loss) from bonds held for trading | (8) | 7 | (15) | (209) | (39) | 15 | (54) | (360) |
| Other financial expenses, net | (81) | 62 | (143) | (232) | (83) | 97 | (181) | (186) |
| Share of results of associates | - | 15 | (15) | - | - | 12 | (12) | - |
| Profit / (loss) before taxation | 2,733 | 107 | 2,626 | 2,450 | 2,500 | 428 | 2,073 | 485 |
| Income tax expense | (395) | 119 | (514) | (432) | (371) | 142 | (513) | (361) |
| Profit / (loss) for the period | 2,338 | 226 | 2,111 | 934 | 2,129 | 570 | 1,559 | 274 |
| Change in value of available-for-sale financial assets | - | (154) | 154 | (100) | - | - | - | - |
| Net change in fair value of available-for-sale financial assets transferred to profit or loss | - | 301 | (301) | (100) | - | 301 | (301) | (100) |
| Income tax relating to other comprehensive income | - | 31 | (31) | (100) | - | - | - | - |
| Income tax relating to other comprehensive income transferred to profit or loss | - | (60) | 60 | (100) | - | (60) | 60 | (100) |
| Total comprehensive income / (loss) for the period | 2,338 | 344 | 1,994 | 580 | 2,129 | 811 | 1,318 | 163 |
| Profit / (loss) is attributable to: | | | | | | | | |
| Owners of ROS AGRO PLC | 2,317 | 307 | 2,010 | 654 | 2,113 | 585 | 1,528 | 261 |
| Non-controlling interest | 20 | (81) | 102 | 125 | 16 | (15) | 31 | 203 |
| Profit / (loss) for the period | 2,338 | 226 | 2,111 | 934 | 2,129 | 570 | 1,559 | 274 |
| Total comprehensive income / (loss) is attributable to: | | | | | | | | |
| Owners of ROS AGRO PLC | 2,317 | 425 | 1,892 | 445 | 2,113 | 826 | 1,287 | 156 |
| Non-controlling interest | 20 | (81) | 102 | 125 | 16 | (15) | 31 | 203 |
| Total comprehensive income / (loss) for the period | 2,338 | 344 | 1,994 | 580 | 2,129 | 811 | 1,318 | 163 |

Debt profile (as of 30 June 2018)

Comments

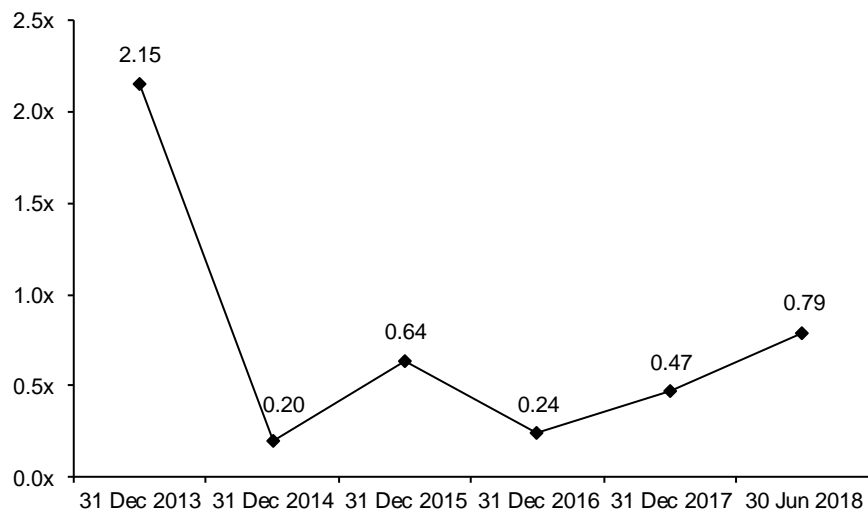
- Gross debt increased by RR 477 million (+1%) up to RR 47,128 million
- Net debt increased by RR 4,728 million (72%) to RR 11,331 million
- Major banks and their ratio in the Group's credit portfolio (excl. non-bank loans): Vnesheconombank (34%), Alfa bank (46%), Sberbank (13%). The shares are calculated taken into account the fair value adjustments made according to IFRS requirements for the purpose of financial statements.

Net finance income in 1H 2017 in the sum of RR 851 million decreased to net finance income in amount of RR 647 million in the 1H 2018 (24% or RR 204 million decrease) due to:

- RR - 290 million of loss in net interest income as a result of lower average interest rates;
- RR - 15 million of a decrease in net gain/loss from bonds held for trading;

For detailed information about FX exchange rate see slide "Average FX rate, USD/RUR" in the Additional information section.

Net debt / LTM EBITDA



Debt position and liquidity management

| in RR million | 30 June 2018 | 31 December 2017 | Variance | |
|---|-----------------|------------------|--------------|-----------|
| | | | Units | % |
| Gross debt | 47,128 | 46,651 | 477 | 1 |
| Short-term borrowings | 6,314 | 8,864 | (2,549) | (29) |
| Long-term borrowings | 40,814 | 37,788 | 3,026 | 8 |
| Cash and cash equivalents, bank deposits and bonds | (35,797) | (40,048) | 4,251 | 11 |
| Short-term cash, deposits and bonds | (18,659) | (22,901) | 4,243 | 19 |
| Long-term cash, deposits and bonds | (17,138) | (17,146) | 8 | 0 |
| Net debt | 11,331 | 6,604 | 4,728 | 72 |
| Short-term borrowings, net | (12,344) | (14,038) | 1,693 | 12 |
| Long-term borrowings, net | 23,676 | 20,642 | 3,034 | 15 |
| Adjusted EBITDA (LTM) | 14,289 | 13,955 | 333 | 2 |
| Net debt/ Adjusted EBITDA (LTM) | 0.79 | 0.47 | 0.3 | |

Net finance income/ (expense)

| in RR million | 1H 2018 | 1H 2017 | Variance | | Three months ended | | Variance | |
|--|----------------|----------------|--------------|-------------|--------------------|--------------|--------------|-------------|
| | | | Units | % | 30 June 2018 | 30 June 2017 | Units | % |
| Net interest expense | (1,079) | (1,324) | 245 | 18 | (397) | (483) | 86 | 18 |
| Gross interest expense | (1,589) | (1,599) | 10 | 1 | (763) | (739) | (24) | (3) |
| Reimbursement of interest expense | 510 | 275 | 235 | 85 | 366 | 256 | 110 | 43 |
| Interest income | 1,815 | 2,105 | (290) | (14) | 873 | 971 | (98) | (10) |
| Net gain / (loss) from bonds held for trading | (8) | 7 | (15) | - | (39) | 15 | (54) | - |
| Other financial income / (expenses), net | (81) | 62 | (143) | - | (83) | 97 | (181) | - |
| Net foreign exchange gain / (loss) | (102) | 72 | (174) | - | (82) | 104 | (186) | - |
| Other financial expenses, net | 21 | (10) | 31 | - | (1) | (7) | 5 | 78 |
| Total net finance income / (expenses) | 647 | 851 | (204) | (24) | 353 | 601 | (247) | (41) |

Statement of financial position:

Key changes 30 June 2018 vs 31 December 2017

Comments

ASSETS

- PPE & LT biological assets* increased by RR 4,887 million (RR +4,535 million in Meat, RR +405 million in Oil, RR -317 million in Agriculture). Higher balance of PPE including advances in Meat division is related to the pig-breeding farms and slaughter house construction. Hereinafter on this slide segments figures are presented excluding intercompany balances.
- Cash & Investments** decreased by RR 2,382 million. For details refer to the next slide Cash Flows.
- Inventories & ST biological assets decreased by RR 515 million (RR -4,524 million in Sugar, RR -362 million in Meat, RR +6,638 million in Agriculture and RR -1,850 million in Oil). Decrease in inventories level in Sugar division is attributed to sales of sugar from the prior year stock. Significant increase of inventories in Agricultural divisions includes decrease in the balance of finished produce as last year crops were sold during 1H 2018 and higher value of biological assets represented by the current year harvest being grown. Inventory level in Oil is decreasing mainly due to sunflower and soybean from prior year-end stock is being used in the production.
- Receivables & Prepayments increased by RR 168 million (RR +283 million in Oil, RR +56 million in Agriculture, RR -395 million in Sugar, RR +155 million in Meat and RR +45 million in Other). Variance in balances is within normal course of business.
- Taxes*** increased by RR 184 million as a result of an increase in VAT receivable in amount of RR 147 million (RR -440 million in Sugar, RR -19 million in Meat division, RR +723 million in Agricultural division and RR -285 million in Oil), an increase in deferred tax asset by RR 156 million and a decrease in CIT by RR 79 million.

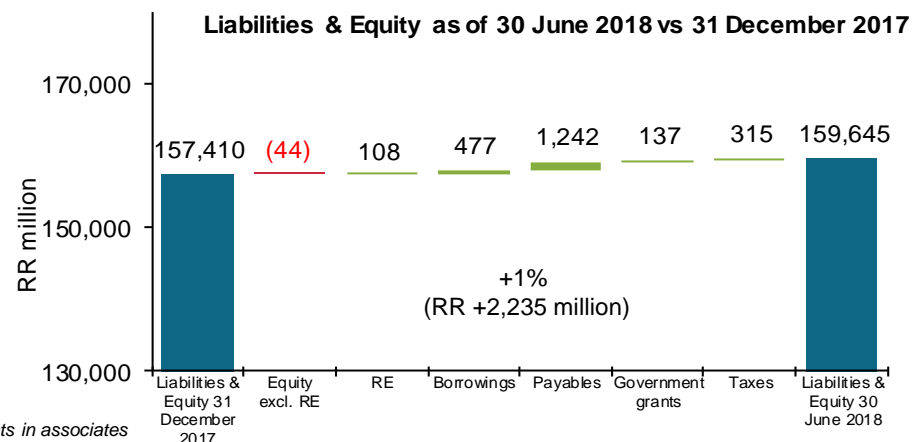
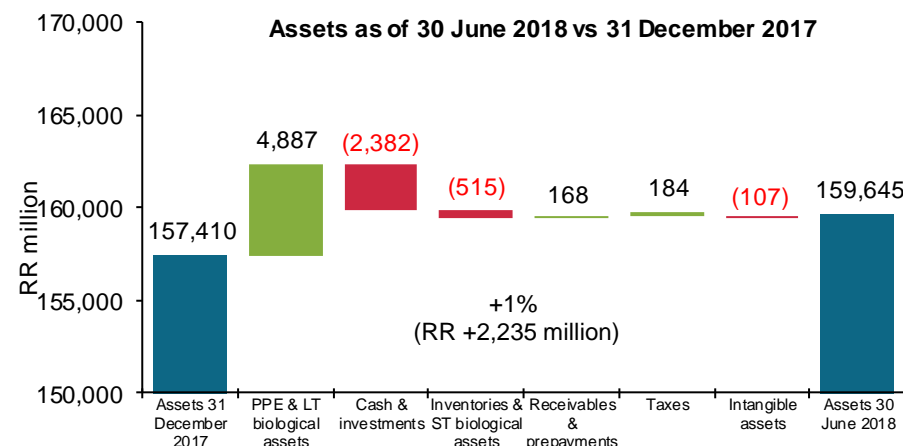
LIABILITIES & EQUITY

- Equity (excl. RE) is lower by RR 44 million as the result of other operations with NCI.
- Borrowings increased by RR 477 million incl. RR -2,549 million of ST borrowings and RR +3,026 million of LT borrowings.
- Payables increased by RR 1,242 million (RR -785 million in Sugar, RR +1,961 million in Agriculture, RR +93 million in Oil, RR -233 million in Meat and RR -69 million in Other). An increase in payables in Agricultural division is attributed to purchases of PPE, fertilizers and crop protection agents. Lower payables in Sugar is the result of lower advances received for sugar and lower level of outstanding trade payables for raw materials and related services.
- Government grants increased by RR 137 million, which included mainly RR +146 million of grants received for pig-breeding farms and the slaughter house construction and amortization of previously received grants.
- Taxes*** increased by RR 315 million as a result of an increase in other taxes payable by RR 94 million (mainly higher SHI payable by RR 51 million, higher land and property tax payable by RR 25 million and higher VAT payable by RR 14 million), an increase in CIT by RR 74 million and an increase in deferred tax liability by RR 143 million.

* include PPE, Inventories intended for construction, Advances paid for non-current assets and LT biological assets

** include Cash and cash equivalents, ST and LT Restricted cash, ST and LT investments, LT receivables, investments in associates

*** include Current income tax, Deferred income tax and Other taxes



Cash Flows: Actual 1H 2018 vs Actual 1H 2017

Comments

In 1H 2018 cash and cash equivalents decreased by RR -2,318 million from RR 4,860 million to RR 2,542 million.

Main variances in cash flow statement line items between 1H 2018 and 1H 2017:

Net cash from operating activities:

- RR +356 million of an increase in operating cash flow before working capital changes mainly due to an increase in profit before income tax that was partly offset by decrease in non-cash and non-operating adjustments;
- RR -3,359 million change in inventories and biological assets mainly due to higher decrease in inventories of Sugar in 1H 2017;
- RR -1,395 million change in other taxes receivable, due to a significant amount of VAT refund received from the budget in 1H 2017 (in Meat, Sugar and Oil).

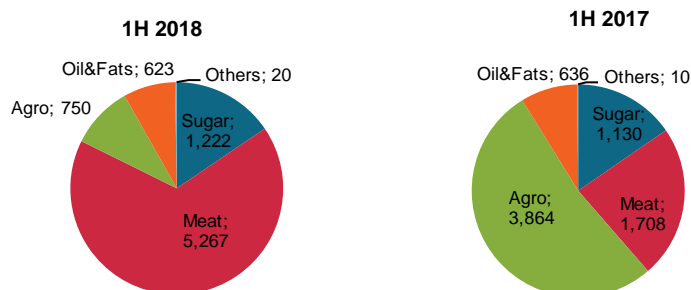
Net cash from investing activities:

- RR -535 million change in Purchases of PPE (see breakdown by segment in a chart below).

Net cash from financing activities:

- RR +2,664 million net changes in borrowings due to higher repayment of borrowings in 1H 2017;
- RR -8,109 million net change in investment in financial asset mainly due to change in cash on bank deposits in amount of RR +1,446 in 1H 2018 million vs RR +7,143 million in 1H 2017. Additionally there were loans given in amount of RR -1,405 million in 1H 2018 (1H 2017: null);
- RR +1,982 million decrease in amount of dividends paid to owners.

CAPEX* 1H 2018 vs 1H 2017, RR million



Cash Flows according to Management view (Not IFRS presentation)* RR million

| | Actual 1H 2018 | Actual 1H 2017 | Variances | |
|--|-------------------|-------------------|-----------------|-------------|
| | | | Units | % |
| Cash flows from operating activities | | | | |
| Profit / (loss) before income tax | 2,733 | 107 | 2,626 | 2,450 |
| <i>Adjustments for non-cash and non-operating (income)/expenses, net</i> | 3,810 | 6,080 | (2,270) | (37) |
| Operating cash flow before working capital changes | 6,543 | 6,187 | 356 | 6 |
| Change in trade and other receivables and prepayments | (106) | 1,162 | (1,268) | - |
| *Change in operating activity not included in Net debt | (1,401) | - | (1,401) | - |
| Change in other taxes receivable | (107) | 1,288 | (1,395) | - |
| Change in inventories and biological assets | 245 | 3,604 | (3,359) | (93) |
| Change in trade and other payables | 897 | 1,078 | (181) | (17) |
| Change in other taxes payable | 64 | (98) | 162 | - |
| Cash generated from operations | 7,535 | 13,221 | (5,685) | (43) |
| Income tax paid | (229) | (280) | 51 | 18 |
| Net cash from operating activities | 7,306 | 12,940 | (5,634) | (44) |
| Cash flows from investing activities | | | | |
| Purchases of property, plant and equipment and inventories intended for construction | (7,882) | (7,347) | (535) | (7) |
| Investments in subsidiaries, net of cash acquired | 0.1 | 79 | (79) | (100) |
| Movement in restricted cash | 1 | (3) | 4 | - |
| Purchases of other intangible assets | (94) | (110) | 16 | 15 |
| Other investing activities | 36 | 19 | 17 | 86 |
| Net cash from investing activities | (7,939) | (7,362) | (577) | (8) |
| Cash flows from financing activities | | | | |
| Net cash flows on borrowings, incl. interest paid | (1,716) | (4,380) | 2,664 | 61 |
| Net cash flows on financial assets related to financial activities, incl. interest received* | 1,835 | 9,944 | (8,109) | (82) |
| *Non-cash adjustments affecting Net Debt | (1,008) | - | (1,008) | - |
| Proceeds from government grants | 592 | 970 | (378) | (39) |
| Purchases of non-controlling interest | (57) | (81) | 24 | 30 |
| Dividends paid to owners Ros Agro PLC | (2,385) | (4,367) | 1,982 | - |
| Other financial activities | - | (5) | 5 | - |
| Proceeds from sales of treasury shares | - | 7 | (7) | - |
| Lease payments | (18) | - | (18) | 2 |
| Net cash from financing activities | (1,749) | 2,087 | (3,837) | - |
| Net effect of exchange rate changes on cash and cash equivalents | 63 | (117) | 180 | - |
| Net increase/ (decrease) in cash and cash equivalents | (2,318) | 7,549 | (9,868) | - |
| *Net increase/ (decrease) in cash and cash equivalents according to management view | (4,728) | 7,549 | (12,277) | - |
| Cash and cash equivalents at the beginning of the period | 4,860 | 6,752 | (1,891) | (28) |
| Cash and cash equivalents at the end of the period | 2,542 | 14,301 | (11,759) | (82) |

(*) For the purpose of conformity with the methodology of the Group's net debt calculation, cash flows on financial assets related to financial activities (bank deposits, bonds, promissory notes, loans given) are reclassified to Cash flows from financing activities in the Group's management accounts.

(*) CAPEX figures include cash outflows for purchases of property, plant and equipment and inventories intended for construction (excl. intersegment purchases).

Section 2

Business Overview by division (IFRS)

1H 2018 and Q2 2018 vs 1H 2017 and Q2 2017



Comments

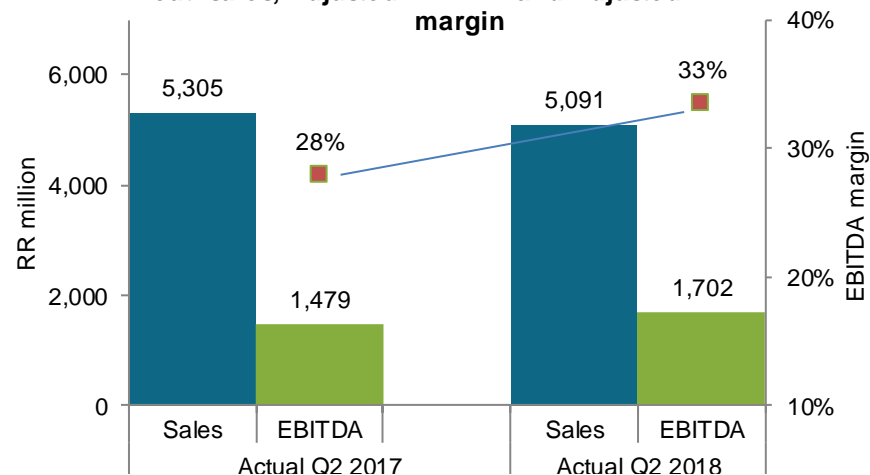
Sales (RR -215 million, -4%):

- a decrease in sales volume of livestock pigs by 7 ths tn or 49%, that was partly compensated by an increase in sales volume of processed pork by 3 ths tn or 10%.
- a decrease in sales prices of livestock pigs by 16% and increase in sales price of processed pork by 4%.

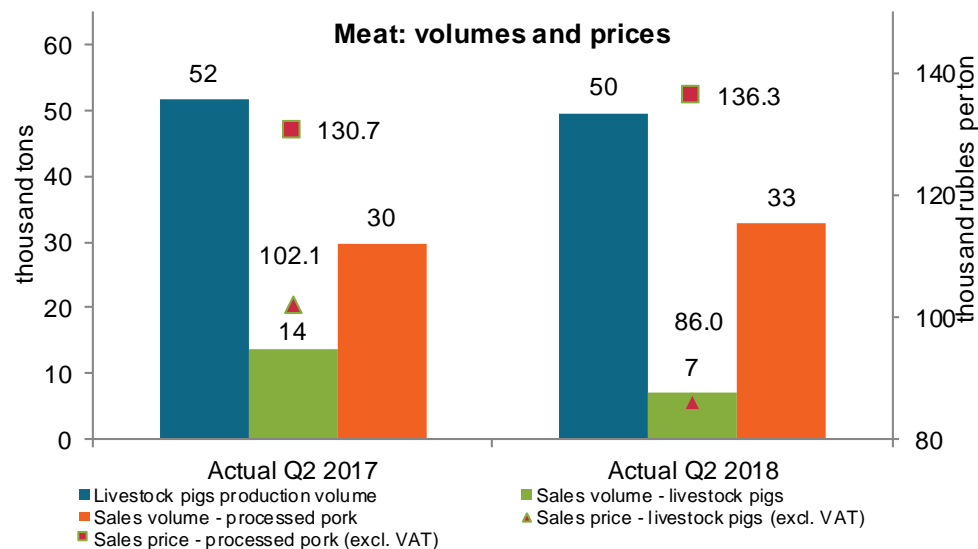
Adjusted EBITDA (RR +224 million, +15%, margin +5%):

- RR -371 million of a decrease in sale price of livestock pigs;
- RR +347 million of a decrease in loss from processing meat;
- RR +247 million of a decrease in cost of livestock production, mainly due to feed cost.

Meat: sales, Adjusted EBITDA and Adjusted EBITDA margin



Meat: volumes and prices



Comments

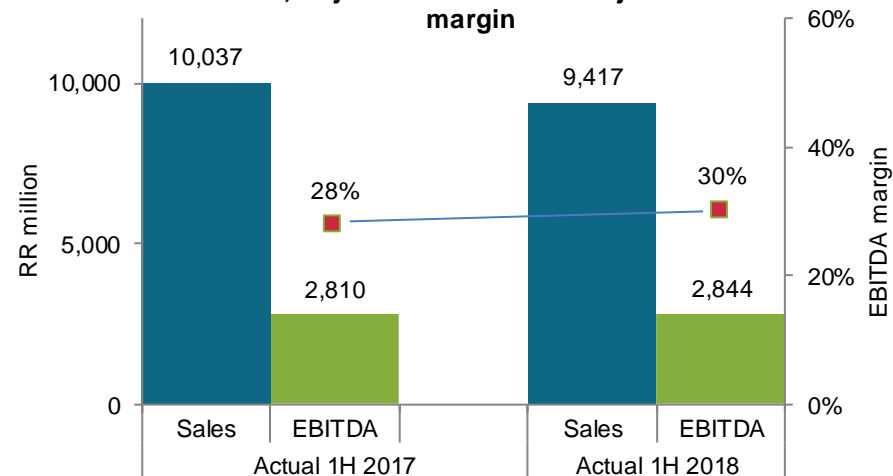
Sales (RR -620 million, -6%):

- a decrease in sales volume of livestock pigs by 22 ths tn or 61%, that was partly compensated by an increase in sales volume of processed pork by 13 ths tn or 25%.
- a decrease in sales prices of livestock pigs by 15% without changes in sales price of processed pork.

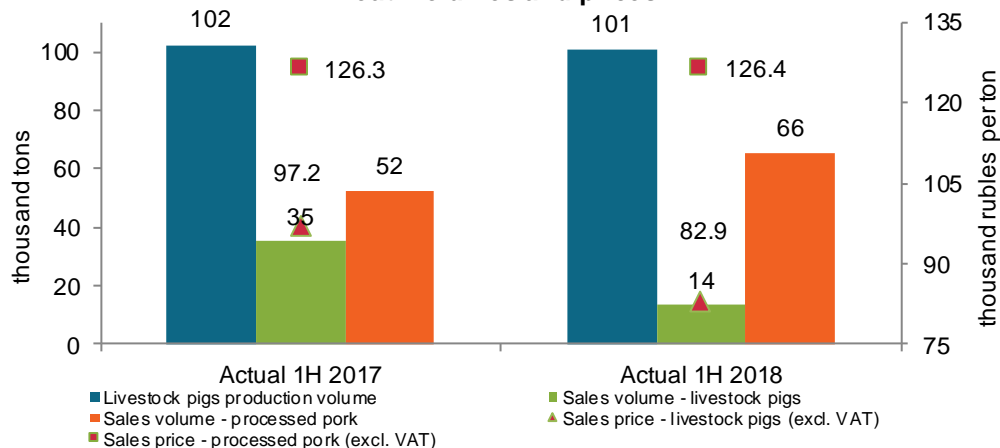
Adjusted EBITDA (RR +34 million, +1%, margin +2%):

- RR -1,066 million of a decrease in sale price of livestock pigs;
- RR +715 million of a decrease in loss from processing meat;
- RR +600 million of a decrease in cost of livestock production, mainly due to feed cost;
- RR -138 million of an increase in property tax.

Meat: sales, Adjusted EBITDA and Adjusted EBITDA margin



Meat: volumes and prices



Comments

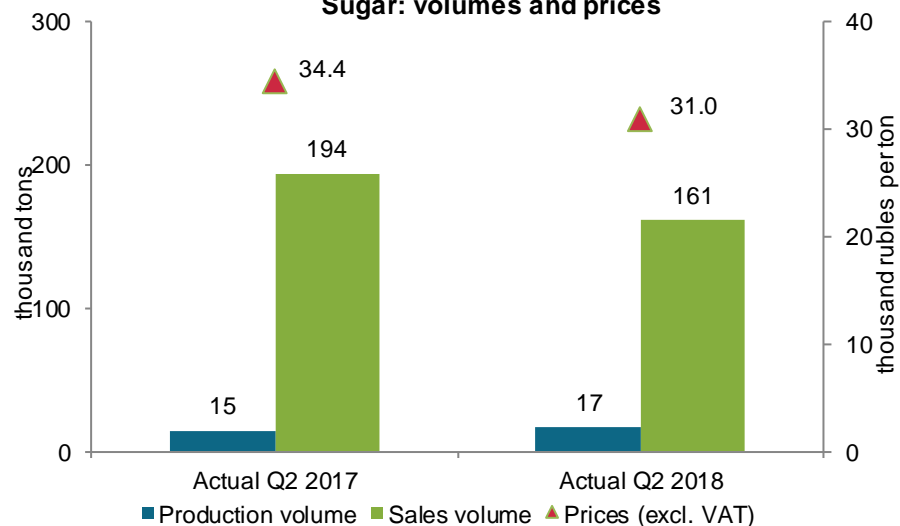
Sales decreased (RR -1,734 million, -24%):

- Sugar sales revenue decreased by RR 1,734 million due to sales price decreased by 10% and sales volume decreased by 17% (Q2 2018: 161 ths tn, Q2 2017: 194 ths tn);

Adjusted EBITDA increased (RR 522 million, 46%):

- COGS decreased by RR 2,126 million (excl. depreciation) due to sugar beet purchase prices of harvest 2017 decreased by 25%;
- D&S expenses decreased by 135 million mainly due to payroll (RR -41 million), transportation and loading services (RR -62 million), provision for impairment of receivables (RR -22 million).

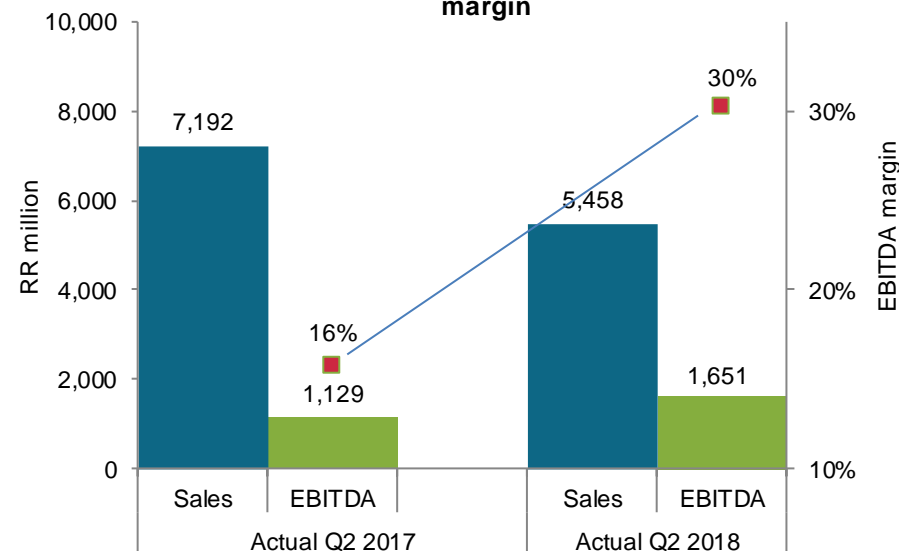
Sugar: volumes and prices



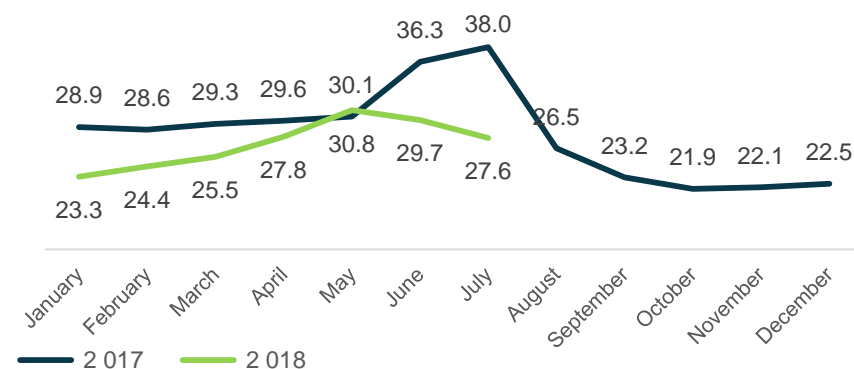
Sugar: production volume

| Item | Production volumes, in thousand tons | | | |
|------------------|--------------------------------------|----------------|-----------|----|
| | Actual Q2 2018 | Actual Q2 2017 | Variances | |
| | | | Units | % |
| Total production | 17 | 15 | 3 | 18 |
| Beet sugar | 17 | 15 | 3 | 21 |

Sugar: sales, Adjusted EBITDA and Adjusted EBITDA margin



Sugar: price ISCO-Krasnodar, RR excl. VAT



Comments

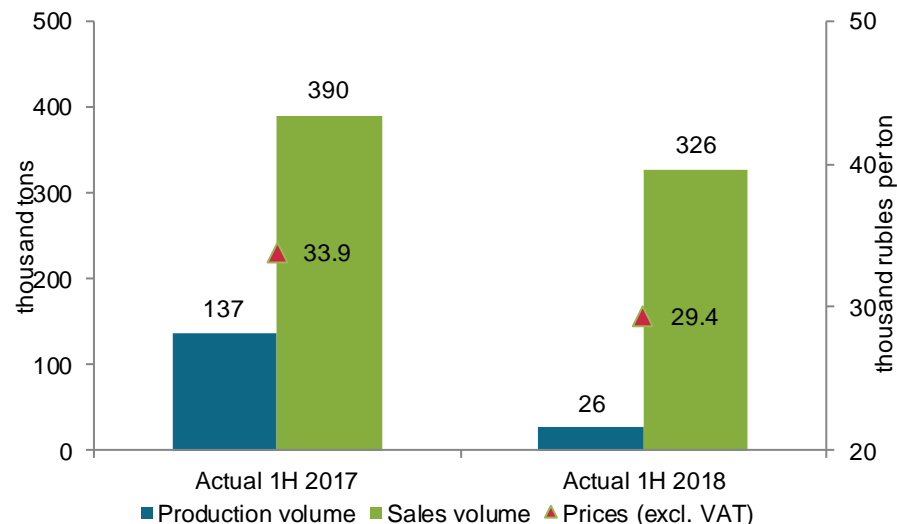
Sales decreased (RR -3,931 million, -27%):

- Sugar sales revenue decreased by RR 3,629 million due to sales price decreased by 13% and sales volume decreased by 16% (1H 2018: 326 ths tn, 1H 2017: 390 ths tn);
- Cereal products sales revenue decreased by RR 302 million due to buckwheat sales prices decreased by 58%.

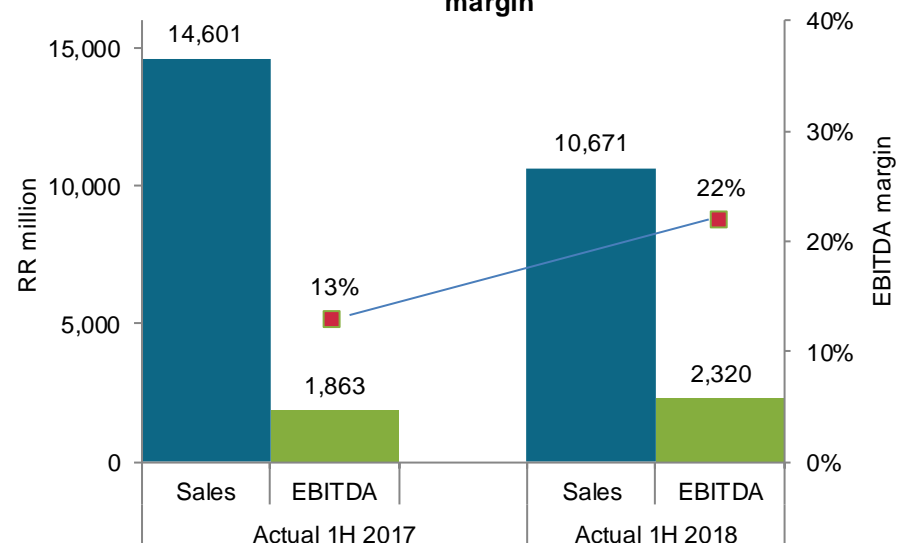
Adjusted EBITDA increased (RR 457 million, 25%):

- COGS decreased by RR 4,047 million (excl. depreciation) due to sugar beet purchase prices of harvest 2017 decreased by 25%;
- D&S expenses decreased by 223 million mainly due to payroll (RR -70 million), provision for impairment of receivables (RR -43 million), fuel and energy (RR -27 million).

Sugar: volumes and prices



Sugar: sales, Adjusted EBITDA and Adjusted EBITDA margin



Sugar: production volume

| Item | Production volumes, in thousand tons | | | |
|------------------|--------------------------------------|----------------|-----------|------|
| | Actual 1H 2018 | Actual 1H 2017 | Variances | |
| | | | Units | % |
| Total production | 26 | 137 | (110) | (81) |
| Beet sugar | 26 | 137 | (110) | (81) |

Comments

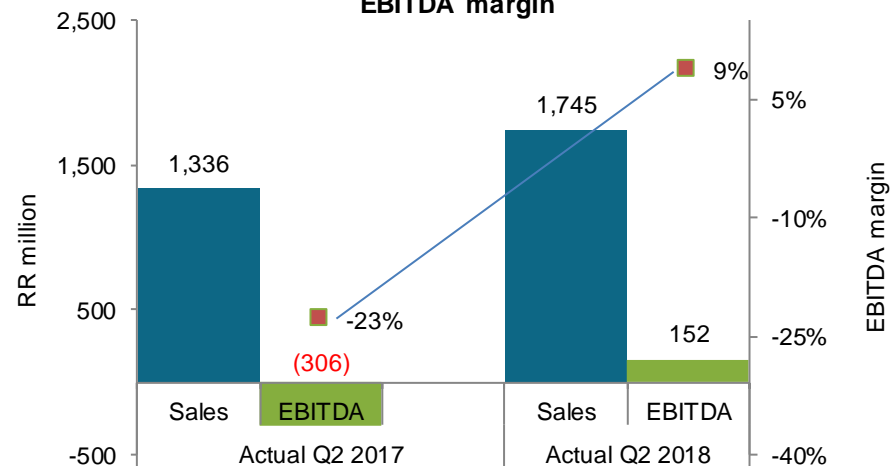
Sales (RR +409 million, +31%):

- Sales increased thanks to higher sales volume of all crops (except for sunflower and soybean) and increase in sales price of all crops in Q2 2018 vs 2017.

Adjusted EBITDA (RR +458 million, margin +32%):

- RR +535 million of an increase in gross profit (excl. effect of biological assets and agricultural produce revaluation and depreciation) as a result of higher sales prices of all crops;
- RR +60 million of a decrease in distribution and selling expenses (excl. depreciation);
- RR -129 million of an increase in general and administrative expenses (excl. depreciation).
- RR -7 million of a decrease in government grants for compensation of operating costs (RR 33 million in Q2 2018 vs RR 40 million in Q2 2017).

Agriculture: sales, Adjusted EBITDA and Adjusted EBITDA margin



Agriculture: sales volumes and prices

| Item | Sales volume, thousand tons | | | | Average price (excl. VAT), ths rur/tn | | | |
|-----------|-----------------------------|----------------|-----------|------|---------------------------------------|----------------|-----------|----|
| | Actual Q2 2018 | Actual Q2 2017 | Variances | | Actual Q2 2018 | Actual Q2 2017 | Variances | |
| | | | Units | % | | | Units | % |
| w heat | 74 | 16 | 59 | 375 | 7.6 | 6.8 | 0.8 | 12 |
| barley | 47 | 13 | 35 | 275 | 7.8 | 6.6 | 1.3 | 19 |
| sunflower | 1 | 31 | (30) | (97) | 18.8 | 15.1 | 3.7 | 24 |
| corn | 34 | 33 | 1 | 4 | 9.5 | 8.1 | 1.4 | 18 |
| soybean | 14 | 15 | (1) | (9) | 23.0 | 18.9 | 4.1 | 22 |
| other | 3 | 2 | 1 | 62 | 5.5 | 4.5 | 1.0 | 23 |

Agriculture

Key indicators Actual 1H 2018 vs Actual 1H 2017 (IFRS)

Comments

Sales (RR -1,794 million, -36%):

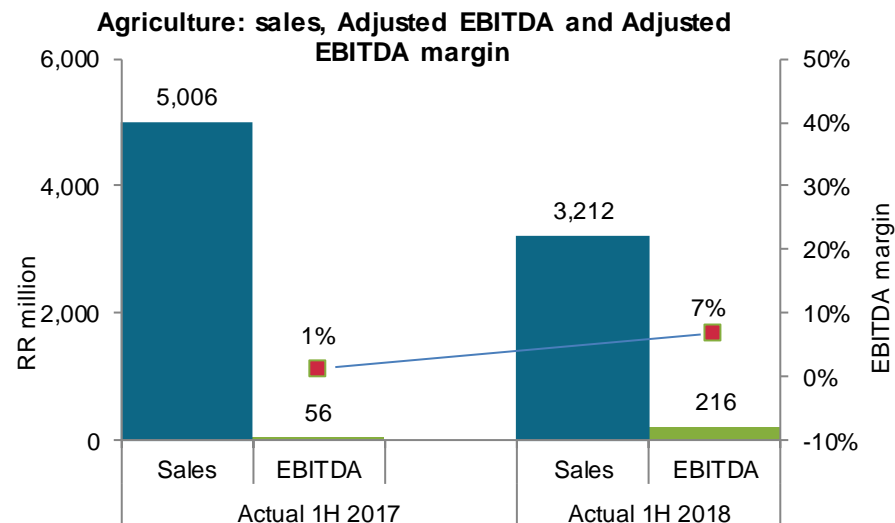
- the major positive factors are a significant increase in sales volume of barley and higher sales price of barley, sunflower, corn and soybean in 1H 2018 vs 2017;
- the major negative factors include a decrease in sales volume of almost all crops and lower sales price of sugar beet in 1H 2018 vs 2017.

Adjusted EBITDA (RR +159 million, margin +6%):

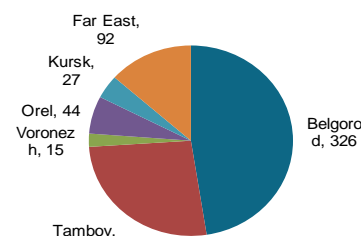
- RR -393 million of a decrease in gross profit (excl. effect of biological assets and agricultural produce revaluation and depreciation) as a result of a decrease in sales volumes of crops;
- RR +678 million of a decrease in distribution and selling expenses (excl. depreciation);
- RR -145 million of an increase in general and administrative expenses (excl. depreciation).
- RR +20 million of an increase in government grants for compensation of operating costs (RR 60 million in 1H 2018 vs RR 40 million in 1H 2017).

As at 30 June 2018 the Group's area of controlled land stands at 687 ths ha (30 June 2017: 664 ths ha), including 564 ths ha of cultivated land (30 June 2017: 564 ths ha).

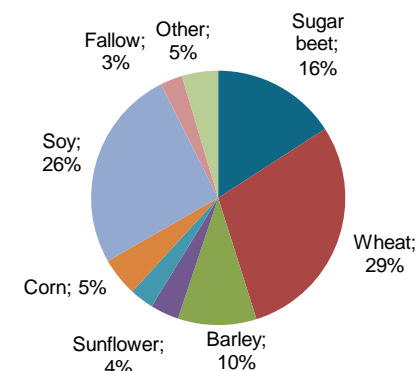
| Item | Sales volume, thousand tons | | | | Average price (excl. VAT), ths rub/tn | | | |
|------------|-----------------------------|----------------|-----------|-------|---------------------------------------|----------------|-----------|------|
| | Actual 1H 2018 | Actual 1H 2017 | Variances | | Actual 1H 2018 | Actual 1H 2017 | Variances | |
| | | | Units | % | | | Units | % |
| sugar beet | 2 | 452 | (450) | (100) | 1.0 | 2.1 | (1.1) | (53) |
| wheat | 113 | 183 | (70) | (38) | 7.2 | 7.2 | (0.0) | (1) |
| barley | 79 | 25 | 54 | 217 | 7.3 | 6.8 | 0.5 | 7 |
| sunflower | 3 | 49 | (46) | (94) | 18.5 | 15.7 | 2.8 | 18 |
| corn | 76 | 71 | 5 | 7 | 9.5 | 8.7 | 0.8 | 9 |
| soybean | 31 | 46 | (15) | (33) | 21.4 | 19.5 | 1.9 | 10 |
| other | 6 | 3 | 2 | 72 | 5.4 | 3.3 | 2.1 | 64 |



Total land resources by region as of 30 June 2018, ths ha



Arable land structure - harvest of 2018



Comments

Sales (RR +298 million, +6%; EZHK RR +290 million, +15%; SAPP RR +39 million, +1%; Far East RR +227 million, +32% and Eliminations RR -308 million).

Sales increased mainly as a result of higher volume of bottled oil sold (due to start production of bottled oil on SAPP plant) and increase in sales prices of bulk oil, meal and margarine which was partly offset by a decrease in sales volume of mayonnaise, margarine and bulk oil. For more information refer to the next slide.

Adjusted EBITDA (RR +847 million, margin +16%), including:

EZHK (RR +175 million, margin +8%):

- RR -10 million of a decrease in gross profit (excl. depreciation);
- RR +188 million of a decrease in distribution and selling expenses (excl. depreciation) mainly due to a decrease in advertising expenses as a result of lower level of brand marketing and promotion activities and lower transportation and loading services expenses related to a drop in sales volume of mayonnaise and margarine;
- RR -3 million of an increase in general and administrative expenses (excl. depreciation).

SAPP (RR +562 million, margin +19%):

- RR +576 million of an increase in gross profit (excl. depreciation) due to an increase in sales volume of bottled oil, increase in sales prices of bulk oil and meal, and decrease in cost of sunflower seeds per unit by 13%, that was partly offset by decrease in sales volume of bulk oil.

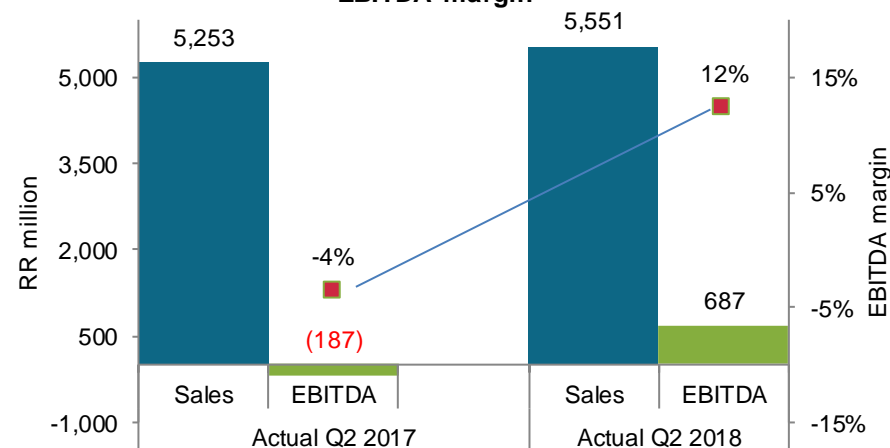
Far East (RR +178 million, margin +17%):

- RR +192 million of an increase in gross profit (excl. depreciation) due to an increase in sales volume of bottled oil and meal;
- RR -17 million of an increase in distribution and selling expenses (excl. depreciation).

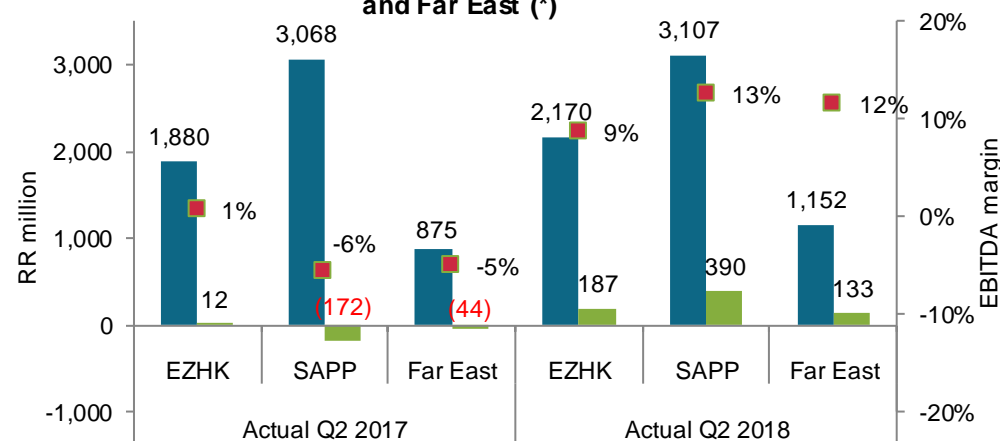
Eliminations RR -308 million.

(*) Excluding elimination adjustments for intra-segment transactions. In Q2 2018 the effect of elimination adjustments for Sales within Oil & Fats segment amounted to RR -878 million (Q2 2017: RR -570 million), the effect of elimination adjustments for Adjusted EBITDA amounted to RR -24 million (Q2 2017 : RR +17 million).

Oil & Fats: sales, Adjusted EBITDA and Adjusted EBITDA margin



Oil & Fats: sales and Adjusted EBITDA EZHK, SAPP and Far East (*)



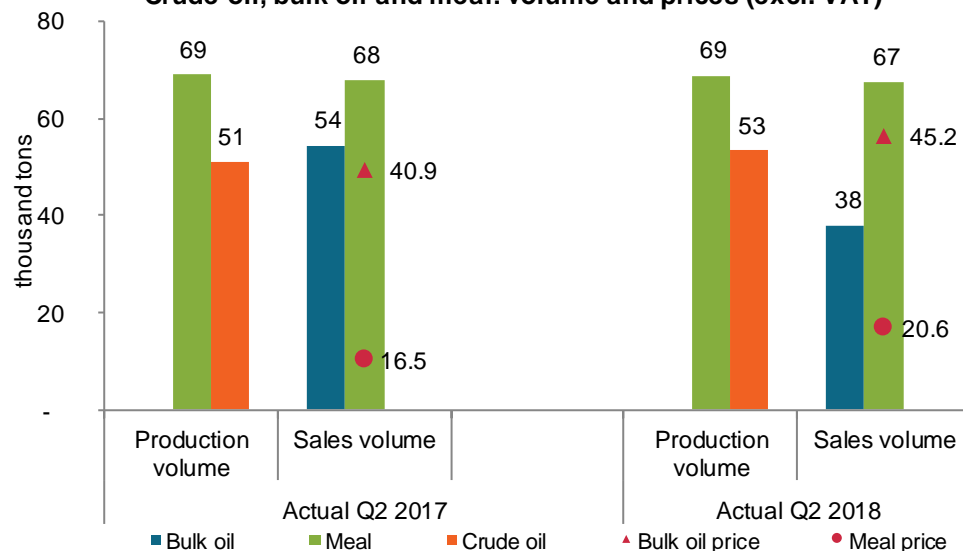
■ Sales to 3rd parties and other segments ■ Adjusted EBITDA ■ Adjusted EBITDA margin

Comments

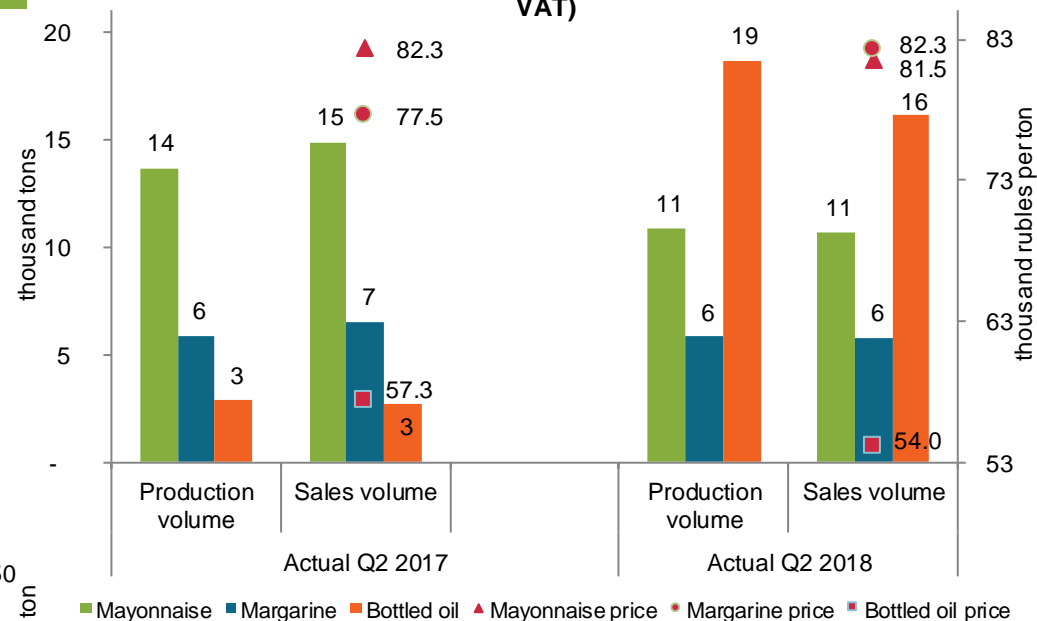
Sales and prices in Oil & Fats:

- sales volume of mayonnaise decreased by 4 ths tn (-28%) with 1% decrease in price;
 - sales volume of margarine decreased by 0,8 ths tn (-11%) with 6% increase in price;
 - sales volume of bulk oil decreased by 16 ths tn with 11% increase in price;
 - sales volume of bottled oil increased by 13 ths tn (+486%) with 6% decrease in price;
- as a result of start production of bottled oil on SAPP plant in Q2 2018
- sales volume of meal decreased by 0,3 ths tn with 25% increase in price;

Crude oil, bulk oil and meal: volume and prices (excl. VAT)



Mayonnaise, margarine and bottled oil: volume and prices (excl. VAT)



Comments

Sales (RR +407 million, +4%; EZHK RR -122 million, -3%; SAPP RR +300 million, +6%; Far East RR +281 million, +16% and Eliminations RR -51 million).

Sales increased mainly as a result of higher volume of bottled oil sold (due to start production of bottled oil on SAPP plant) and an increase in sale prices of meal which was partly offset by a decrease in sales volume of all products (excl. bottled oil) and decrease in sales prices of bottled oil. For more information refer to the next slide.

Adjusted EBITDA (RR +1,326 million, margin +14%), including:

EZHK (RR +414 million, margin +11%):

- RR +72 million of an increase in gross profit (excl. depreciation);
- RR +348 million of a decrease in distribution and selling expenses (excl. depreciation) mainly due to a decrease in advertising expenses as a result of lower level of brand marketing and promotion activities and lower transportation and loading services expenses related to a drop in sales volume of mayonnaise and margarine;
- RR -6 million of an increase in general and administrative expenses (excl. depreciation).

SAPP (RR +788 million, margin +15%):

- RR +820 million of an increase in gross profit (excl. depreciation) due to an increase in sales volume of bottled oil, and decrease in cost of sunflower seeds per unit by 8%, that was partly offset by decrease in sale volume of meal.

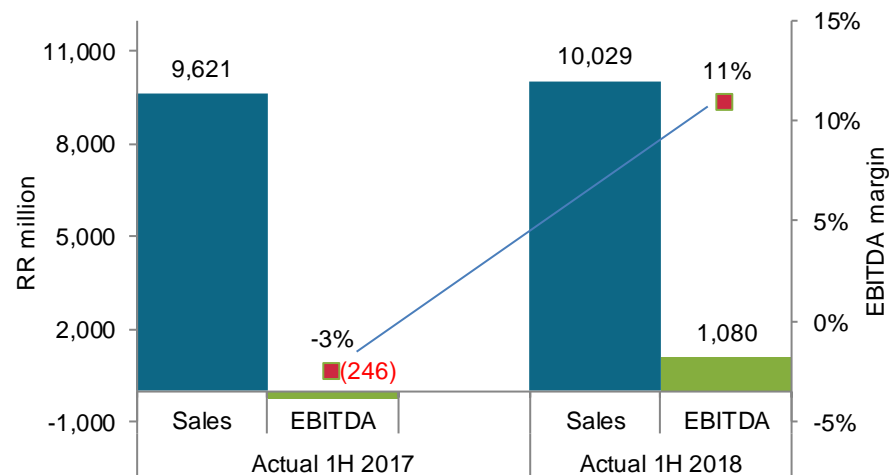
Far East (RR +201 million, margin +9%):

- RR +249 million of an increase in gross profit (excl. depreciation) due to an increase in sales volume of meal;
- RR -52 million of an increase in distribution and selling expenses (excl. depreciation).

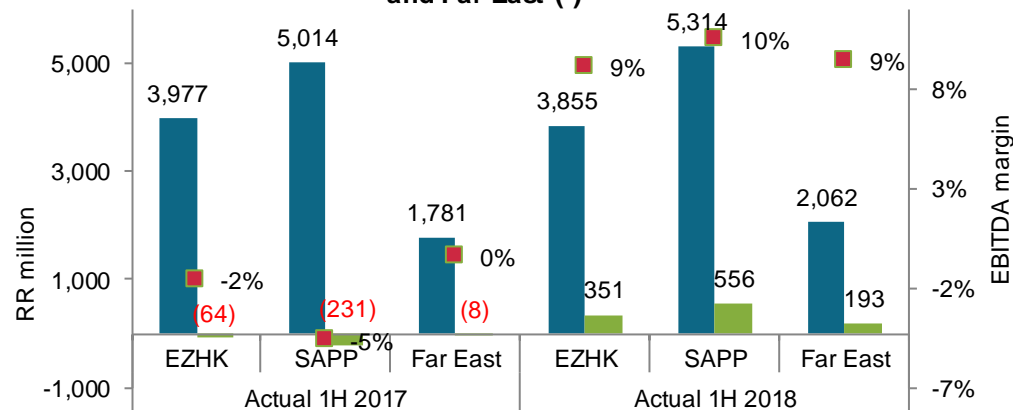
Eliminations RR -77 million.

(*) Excluding elimination adjustments for intra-segment transactions. In 1H 2018 the effect of elimination adjustments for Sales within Oil & Fats segment amounted to RR -1,202 million (1H 2017: RR -1,151 million), the effect of elimination adjustments for Adjusted EBITDA amounted to RR -20 million (1H 2017 : RR +57 million).

Oil & Fats: sales, Adjusted EBITDA and Adjusted EBITDA margin



Oil & Fats: sales and Adjusted EBITDA EZHK, SAPP and Far East (*)



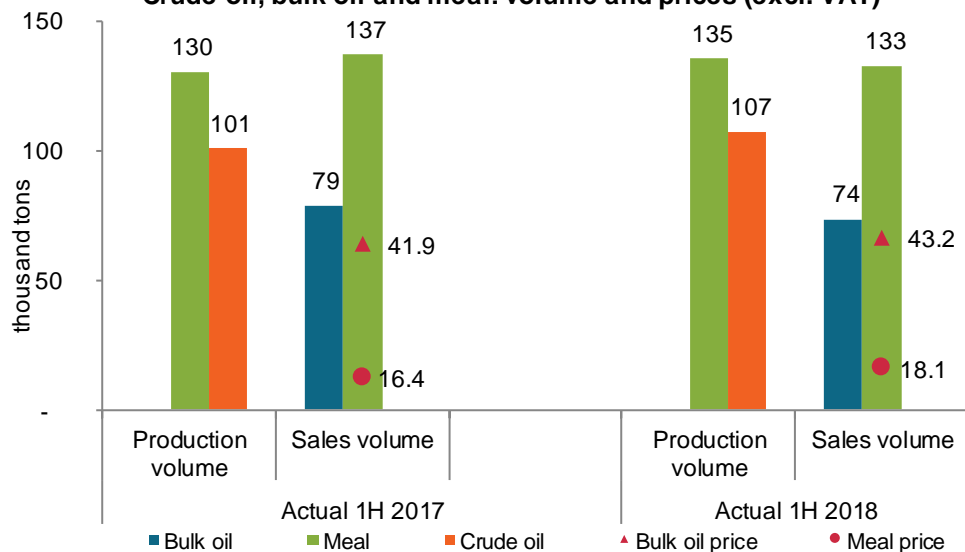
■ Sales to 3rd parties and other segments ■ Adjusted EBITDA ■ Adjusted EBITDA margin

Comments

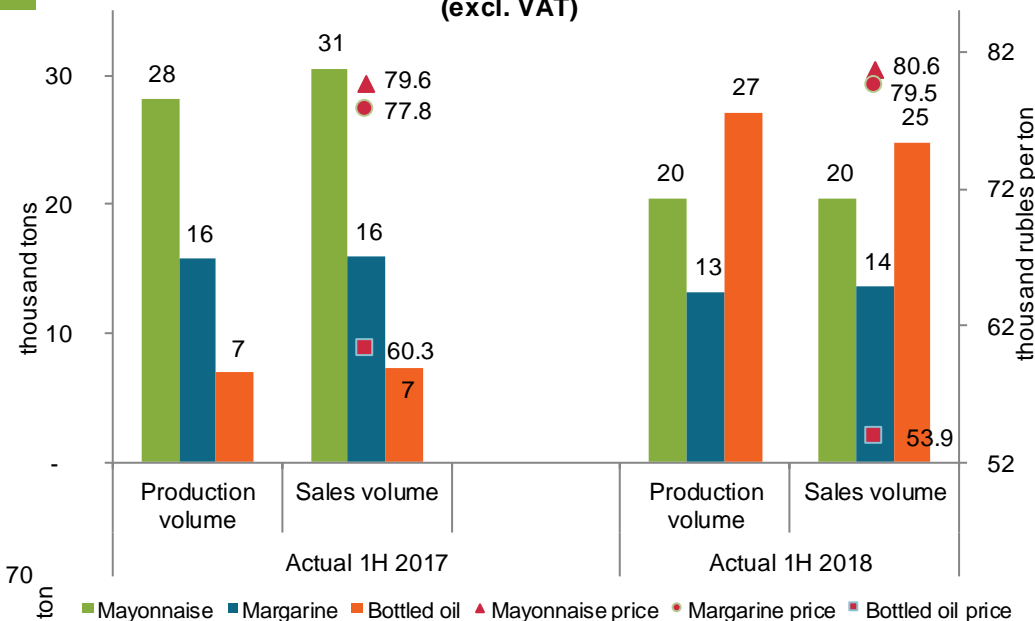
Sales and prices in Oil & Fats:

- sales volume of mayonnaise decreased by 10 ths tn (-33%) with 1% increase in price;
- sales volume of margarine decreased by 2 ths tn (-15%) with 2% increase in price;
- sales volume of bulk oil decreased by 5 ths tn (-7%) with 3% increase in price;
- sales volume of bottled oil increased by 18 ths tn (+243%) with 10% decrease in price; as a result of start production of bottled oil on SAPP plant in Q2 2018
- sales volume of meal decreased by 4 ths tn (-3%) with 11% increase in price;

Crude oil, bulk oil and meal: volume and prices (excl. VAT)



Mayonnaise, margarine and bottled oil: volume and prices (excl. VAT)



Section 3

Additional information



Adjusted EBITDA 1H 2018 (IFRS) Breakdown by divisions

ROS AGRO PLC



| | | | | | | | RR million |
|--|--------------|--------------|--------------|--------------|---------------|-----------------|--------------|
| 1H 2018 | Sugar | Meat | Agriculture | Oil and Fat | Other | Elimination | Total |
| Sales | 10,671 | 9,417 | 3,212 | 10,029 | 114 | (628) | 32,815 |
| Net gain / (loss) on revaluation of biological assets and agricultural produce | - | (88) | (618) | - | - | (195) | (900) |
| Cost of sales | (7,565) | (6,886) | (2,083) | (7,696) | (93) | 484 | (23,839) |
| <i>incl. Depreciation</i> | (1,057) | (1,035) | (204) | (176) | (0) | (7) | (2,480) |
| Net gain/ (loss) from trading derivatives | 5 | - | - | - | - | - | 5 |
| Gross profit / (loss) | 3,110 | 2,444 | 510 | 2,332 | 21 | (338) | 8,080 |
| General and administrative expenses, Distribution and selling expenses | (1,897) | (746) | (1,254) | (1,495) | (512) | (68) | (5,971) |
| General and administrative expenses | (806) | (470) | (611) | (385) | (477) | 106 | (2,642) |
| Distribution and selling expenses | (1,090) | (276) | (643) | (1,110) | (35) | (174) | (3,329) |
| <i>incl. Depreciation</i> | (49) | (24) | (77) | (66) | (13) | 7 | (222) |
| Dep in General and administrative expenses | (46) | (23) | (65) | (32) | (13) | - | (180) |
| Dep in Distribution and selling expenses | (3) | (1) | (12) | (34) | - | 7 | (43) |
| Other operating (expenses)/ income, net | 47 | 102 | (68) | (26) | 10,840 | (10,919) | (23) |
| <i>incl. Reimbursement of operating costs (government grants)</i> | - | - | 60 | - | - | - | 60 |
| Operating profit / (loss) | 1,261 | 1,800 | (811) | 811 | 10,350 | (11,325) | 2,086 |
| Adjustments: | | | | | | | |
| Depreciation included in Operating Profit | 1,107 | 1,059 | 280 | 243 | 13 | - | 2,702 |
| Other operating income, net | (47) | (102) | 68 | 26 | (10,840) | 10,919 | 23 |
| Reimbursement of operating costs (government grants) | - | - | 60 | - | - | - | 60 |
| Net gain / (loss) on revaluation of biological assets and agricultural produce | - | 88 | 618 | - | - | 195 | 900 |
| Adjusted EBITDA | 2,320 | 2,844 | 216 | 1,080 | (477) | (211) | 5,772 |

Adjusted EBITDA 1H 2017 (IFRS) Breakdown by divisions

ROS AGRO PLC



| | RR million | | | | | | |
|---|--------------|--------------|----------------|--------------|--------------|----------------|--------------|
| 1H 2017 | Sugar | Meat | Agriculture | Oil and Fat | Other | Elimination | Total |
| Sales | 14,601 | 10,037 | 5,006 | 9,621 | 31 | (1,540) | 37,758 |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | - | (411) | (1,493) | - | - | (1,489) | (3,393) |
| Cost of sales | (11,612) | (7,775) | (3,681) | (8,358) | - | 2,491 | (28,934) |
| <i>incl. Depreciation</i> | (877) | (941) | (400) | (184) | - | (5) | (2,408) |
| Net gain/ (loss) from trading derivatives | (3) | - | - | - | - | - | (3) |
| Gross profit / (loss) | 2,987 | 1,851 | (168) | 1,263 | 31 | (537) | 5,428 |
| General and administrative expenses, Distribution and selling expenses | (2,057) | (441) | (1,765) | (1,752) | (492) | 438 | (6,070) |
| General and administrative expenses | (744) | (257) | (445) | (363) | (492) | 77 | (2,224) |
| Distribution and selling expenses | (1,313) | (184) | (1,321) | (1,389) | - | 360 | (3,846) |
| <i>incl. Depreciation</i> | (55) | (25) | (56) | (59) | (25) | 3 | (217) |
| Dep in General and administrative expenses | (13) | (24) | (44) | (22) | (25) | (2) | (131) |
| Dep in Distribution and selling expenses | (42) | (1) | (12) | (36) | - | 5 | (86) |
| Other operating (expenses)/ income, net | (52) | 154 | 64 | 115 | 6,072 | (6,471) | (117) |
| <i>incl. Reimbursement of operating costs (government grants)</i> | - | 23 | 40 | - | - | - | 63 |
| Operating profit / (loss) | 879 | 1,564 | (1,868) | (374) | 5,611 | (6,571) | (759) |
| Adjustments: | | | | | | | |
| Depreciation included in Operating Profit | 933 | 966 | 456 | 243 | 25 | 2 | 2,625 |
| Other operating income, net | 52 | (154) | (64) | (115) | (6,072) | 6,471 | 117 |
| Reimbursement of operating costs (government grants) | - | 23 | 40 | - | - | - | 63 |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | - | 411 | 1,493 | - | - | 1,489 | 3,393 |
| Adjusted EBITDA | 1,863 | 2,810 | 56 | (246) | (436) | 1,391 | 5,439 |

Statement of financial position (IFRS)

ROS AGRO PLC



| | 30 June 2018 | 31 December 2017 | RR million | |
|---|----------------|------------------|----------------|------------|
| | | | Variances | |
| | | | Units | % |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 2,542 | 4,860 | (2,318) | (48) |
| Restricted cash | 0.05 | 0.04 | 0 | 7 |
| Short-term investments | 18,230 | 18,458 | (228) | (1) |
| Trade and other receivables | 3,279 | 3,196 | 83 | 3 |
| Prepayments | 1,287 | 1,201 | 85 | 7 |
| Current income tax receivable | 133 | 212 | (79) | (37) |
| Other taxes receivable | 3,459 | 3,353 | 107 | 3 |
| Inventories and short-term biological assets | 29,161 | 29,676 | (515) | (2) |
| Total current assets | 58,091 | 60,956 | (2,865) | (5) |
| Non-current assets | | | | |
| Property, plant and equipment | 59,463 | 56,390 | 3,073 | 5 |
| Inventories intended for construction | 2,125 | 795 | 1,330 | 167 |
| Goodwill | 1,826 | 1,826 | - | - |
| Advances paid for property, plant and equipment | 14,140 | 13,842 | 299 | 2 |
| Long-term biological assets | 1,905 | 1,720 | 185 | 11 |
| Long-term investments and receivables | 17,758 | 17,594 | 164 | 1 |
| Investments in associates | 7 | 7 | - | - |
| Deferred income tax assets | 2,149 | 1,993 | 156 | 8 |
| Other intangible assets | 2,179 | 2,286 | (107) | (5) |
| Total non-current assets | 101,554 | 96,454 | 5,100 | 5 |
| Total assets | 159,645 | 157,410 | 2,235 | 1 |

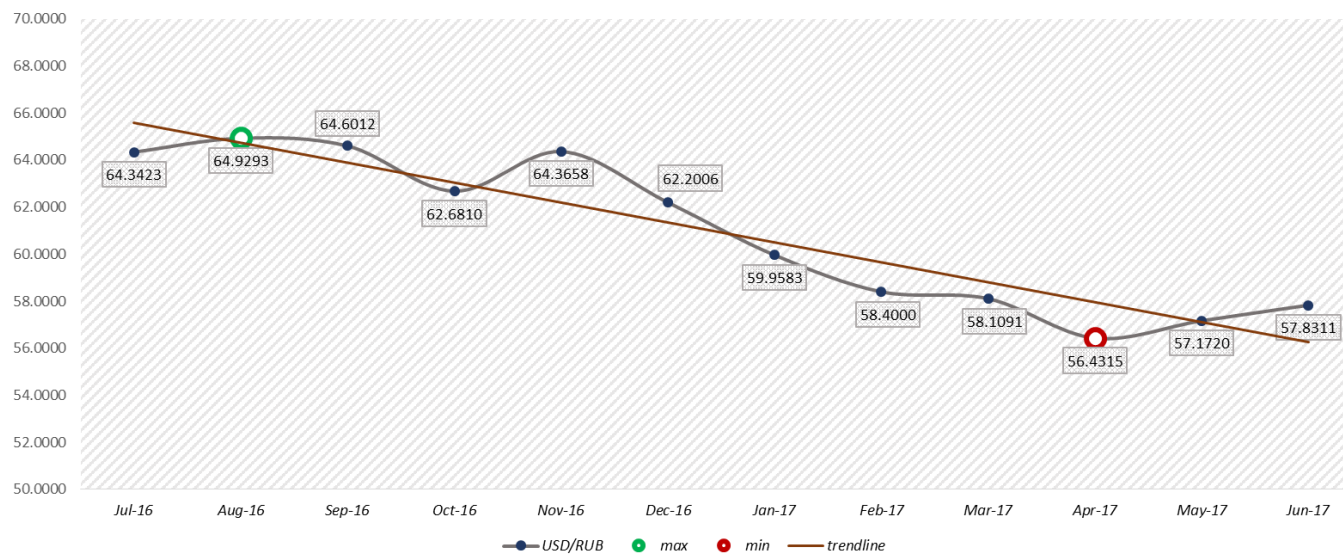
Statement of financial position (IFRS) - continuance

ROS AGRO PLC



| | 30 June 2018 | 31 December 2017 | RR million | |
|--|----------------|------------------|----------------|------------|
| | | | Variances | |
| | | | Units | % |
| Liabilities and EQUITY | | | | |
| Current liabilities | | | | |
| Short-term borrow ings | 6,314 | 8,864 | (2,549) | (29) |
| Trade and other payables | 8,017 | 6,773 | 1,244 | 18 |
| Current income tax payable | 138 | 64 | 74 | 116 |
| Other taxes payable | 4,171 | 4,072 | 98 | 2 |
| Total current liabilities | 18,639 | 19,773 | (1,134) | (6) |
| Non-current liabilities | | | | |
| Long-term borrow ings | 40,814 | 37,788 | 3,026 | 8 |
| Government grants | 6,515 | 6,377 | 137 | 2 |
| Deferred income tax liability | 887 | 744 | 143 | 19 |
| Total non-current liabilities | 48,215 | 44,909 | 3,305 | 7 |
| Total liabilities | 66,854 | 64,682 | 2,172 | 3 |
| Equity | | | | |
| Share capital | 12 | 12 | - | - |
| Treasury shares | (492) | (492) | - | - |
| Additional paid-in capital | 26,964 | 26,964 | - | - |
| Other reserves | 1,308 | 1,308 | 0 | 0 |
| Retained earnings | 64,867 | 64,759 | 108 | 0 |
| Equity attributable to owners of ROS AGRO PLC | 92,660 | 92,552 | 108 | 0 |
| Non-controlling interest | 132 | 176 | (44) | (25) |
| Total equity | 92,792 | 92,728 | 64 | 0 |
| Total liabilities and equity | 159,645 | 157,410 | 2,235 | 1 |

Ruble's exchange rate for jul. 2016 - jun. 2017



Ruble's exchange rate for jul. 2017 - jun. 2018

