



18 November 2019

ROS AGRO financial results for 9M 2019 and Q3 2019

18 November 2019 – Today ROS AGRO PLC (the “Company”), the holding company of Rusagro Group (the “Group”), a leading Russian diversified food producer with vertically integrated operations, has announced the financial results for the Nine months ended 30 September 2019.

9M 2019 Highlights

- Sales amounted to RR 104,891 million (US\$ 1,615 million¹), an increase of RR 52,690 million compared to 9M 2018;
- Adjusted EBITDA² amounted to RR 13,226 million (US\$ 204 million), an increase of RR 2,978 million compared to 9M 2018;
- Adjusted EBITDA margin dropped from 20% in 9M 2018 to 13% in 9M 2019;
- Net profit for the period amounted to RR 7,145 million (US\$ 110 million);
- Net debt position³ as of 30 September 2019 amounted to RR 50,226 million (US\$ 780 million);
- Net Debt/ Adjusted EBITDA (LTM⁴) as of 30 September 2019 was 2.62x.

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

“3Q 2019 showed good results in terms of revenue increase compared to 3Q 2018. However, adjusted EBITDA margin of the Group dropped due to margin decrease in all major segments, except Agricultural. Agriculture segment’s revenue has grown as the result of higher sales volumes of all crops (except for sugar beet) on local market. EBITDA margin also increased due to lower distribution expenses on local market compared to export sales, which prevailed during 3Q 2018. Meanwhile, Meat, Sugar and Oil & Fats segments showed strong sales results, but experienced margins drop. Meat segment margin was negatively affected by increase in livestock pigs cost due to feed and animals health protection expenses growth. Sugar segment faced EBITDA margin decrease due to high sugar prices during 2018 production season and, as the result, high sugar beet cost and decrease in sugar prices in Q3 2019 due to market expectations related to overproduction. Oil & Fats segment margin decreased mainly due to lower sales prices for all products and start of lower-margin industrial fats (B2B) sales in 2019 related to SolPro activities.”

Key consolidated financial performance indicators

| in RR million | Nine months ended | | Variance | | Three months ended | | Variance | |
|--------------------------------------|-------------------------|-------------------------|----------------|-------------|-------------------------|-------------------------|----------------|-------------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| Sales | 104,891** | 52,201 | 52,690 | 101 | 33,754 | 19,386 | 14,368 | 74 |
| Gross profit | 18,900 | 19,053 | (153) | (1) | 7,760 | 10,974 | (3,214) | (29) |
| <i>Gross margin, %</i> | <i>18%</i> | <i>36%</i> | <i>-18%</i> | | <i>23%</i> | <i>57%</i> | <i>-34%</i> | |
| Adjusted EBITDA | 13,226 | 10,248 | 2,978 | 29 | 4,410 | 4,477 | (67) | (1) |
| <i>Adjusted EBITDA margin, %</i> | <i>13%</i> | <i>20%</i> | <i>-7%</i> | | <i>13%</i> | <i>23%</i> | <i>-10%</i> | |
| Net profit for the period | 7 145 | 9 978 | (2 832) | (28) | 3 792 | 7 615 | (3 823) | (50) |
| <i>Net profit margin %</i> | <i>7%</i> | <i>19%</i> | <i>-12%</i> | | <i>11%</i> | <i>39%</i> | <i>-28%</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 1Q 2019 related to Oil & Fats (RR 1,758 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*

Key financial performance indicators by segments

| in RR million | Nine months ended | | Variance | | Three months ended | | Variance | |
|--------------------------------------|-------------------------|-------------------------|---------------|------------|-------------------------|-------------------------|----------------|-------------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| Sales, incl. | 104,891 | 52,201 | 52,690 | 101 | 33,754 | 19,386 | 14,368 | 74 |
| <i>Sugar</i> | 23,242 | 17,734 | 5,508 | 31 | 7,568 | 7,063 | 505 | 7 |
| <i>Meat</i> | 18,296 | 15,384 | 2,912 | 19 | 7,124 | 5,967 | 1,157 | 19 |
| <i>Agriculture</i> | 15,218 | 7,028 | 8,190 | 117 | 5,884 | 3,816 | 2,068 | 54 |
| <i>Oil and Fat</i> | 50,217 | 14,667 | 35,550 | 242 | 15,638 | 4,638 | 11,000 | 237 |
| <i>Milk&Cheese</i> | 2,829 | | 2,829 | - | 997 | | 997 | - |
| <i>Other</i> | 224 | 825 | (601) | (73) | 68 | 711 | (643) | (90) |
| <i>Eliminations</i> | (5,134) | (3,436) | (1,697) | (49) | (3,526) | (2,809) | (717) | (26) |
| Gross profit, incl. | 18,900 | 19,053 | (153) | (1) | 7,760 | 10,974 | (3,215) | (29) |
| <i>Sugar</i> | 3,826 | 4,784 | (958) | (20) | 622 | 1,674 | (1,052) | (63) |
| <i>Meat</i> | 3,431 | 4,673 | (1,242) | (27) | 1,445 | 2,229 | (784) | (35) |
| <i>Agriculture</i> | 3,258 | 6,726 | (3,468) | (52) | 1,949 | 6,215 | (4,266) | (69) |
| <i>Oil and Fat</i> | 7,403 | 3,520 | 3,883 | 110 | 3,347 | 1,188 | 2,160 | 182 |
| <i>Milk&Cheese</i> | 250 | - | 250 | - | 101 | | 101 | - |
| <i>Other</i> | 120 | 139 | (19) | (14) | 10 | 118 | (108) | (92) |
| <i>Eliminations</i> | 611 | (788) | 1 399 | - | 285 | (449) | 734 | - |
| Adjusted EBITDA, incl. | 13,226 | 10,248 | 2,978 | 29 | 4,410 | 4,477 | (67) | (1) |
| <i>Sugar</i> | 2,550 | 3,654 | (1,104) | (30) | 173 | 1,334 | (1,161) | (87) |
| <i>Meat</i> | 4,320 | 5,188 | (868) | (17) | 1,726 | 2,345 | (619) | (26) |
| <i>Agriculture</i> | 4,221 | 981 | 3,240 | 330 | 1,450 | 766 | 684 | 89 |
| <i>Oil and Fat</i> | 1,672 | 1,764 | (92) | (5) | 1,094 | 684 | 410 | 60 |
| <i>Milk&Cheese</i> | 48 | | 48 | - | 45 | | 45 | - |
| <i>Other</i> | (1,074) | (722) | (351) | (49) | (251) | (245) | (6) | (2) |
| <i>Eliminations</i> | 1,488 | (618) | 2,106 | - | 173 | (407) | 580 | - |
| Adjusted EBITDA margin, % | 13% | 20% | -7% | | 13% | 23% | -10% | |
| <i>Sugar</i> | 11% | 21% | -10% | | 2% | 19% | -17% | |
| <i>Meat</i> | 24% | 34% | -10% | | 24% | 39% | -15% | |
| <i>Agriculture</i> | 28% | 14% | 14% | | 25% | 20% | 5% | |
| <i>Oil and Fat</i> | 3% | 12% | -9% | | 7% | 15% | -8% | |
| <i>Milk&Cheese</i> | 2% | 0% | 2% | | 5% | 0% | 5% | |

Sugar Segment

The financial results of the sugar segment for 9M 2019 and Q3 2019 compared to 9M 2018 and Q3 2018 respectively are presented in the table below:

| in RR million | Nine months ended | | Variance | | Three months ended | | Variance | |
|---|-------------------------|-------------------------|----------------|-------------|-------------------------|-------------------------|----------------|-------------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| Sales | 23,242 | 17,734 | 5,508 | 31 | 7,568 | 7,063 | 505 | 7 |
| Cost of sales | (19,411) | (12,956) | (6,454) | (50) | (6,947) | (5,391) | (1,555) | (29) |
| Net gain/ (loss) from trading derivatives | (5) | 6 | (12) | - | 1 | 2 | (1) | (62) |
| Gross profit | 3,826 | 4,784 | (958) | (20) | 622 | 1,674 | (1,052) | (63) |
| <i>Gross profit margin</i> | <i>16%</i> | <i>27%</i> | <i>-11%</i> | | <i>8%</i> | <i>24%</i> | <i>-16%</i> | |
| Distribution and selling expenses | (1,706) | (1,538) | (169) | (11) | (595) | (447) | (148) | (33) |
| General and administrative expenses | (1,119) | (1,204) | 85 | 7 | (395) | (397) | 2 | 1 |
| Other operating income/ (expenses), net | 403 | 3,378 | (2,975) | (88) | 88 | 3,331 | (3,243) | (97) |
| Operating profit | 1,405 | 5,421 | (4,016) | (74) | (280) | 4,160 | (4,440) | - |
| Adjusted EBITDA | 2,550 | 3,654 | (1,104) | (30) | 173 | 1,334 | (1,161) | (87) |
| <i>Adjusted EBITDA margin</i> | <i>11%</i> | <i>21%</i> | <i>-10%</i> | | <i>2%</i> | <i>19%</i> | <i>-17%</i> | |

Sales increased in 9M 2019 compared to 9M 2018 mainly due to sugar sales volume increased by 29% (9M 2019: 727 ths tonnes, 9M 2018: 562 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 9M 2019.

Sales increased in 3Q 2019 compared to 3Q 2018 mainly due to sugar sales volume increase by 17% (3Q 2019: 274 ths tonnes, 3Q 2018: 235 ths tonnes), that was partially compensated by sales price decrease by 6%.

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

| | Nine months ended | | Variance | | Three months ended | | Variance | |
|---|-------------------------|-------------------------|----------|-----|-------------------------|-------------------------|----------|-----|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| Sugar production volume (in thousand tonnes) | 231 | 238 | (7) | (3) | 207 | 212 | (5) | (2) |
| Sales volume (in thousand tonnes) | 727 | 562 | 165 | 29 | 274 | 235 | 39 | 17 |
| Average sales price (roubles per kg, excl. VAT) | 29.8 | 28.9 | 0.9 | 3 | 26.5 | 28.2 | (1.7) | (6) |

Cost of sales increased in 9M 2019 compared to 9M 2018 by RR 6,454 million mainly due to sugar beet purchase prices of harvest 2018 increased by 39%.

Distribution and selling expenses increased by 169 million mainly due to storage services cost increased as a result of higher sugar stock in 9M 2019.

Meat Segment

The financial results of the meat segment for 9M 2019 and Q3 2019 compared to 9M 2018 and Q3 2018 respectively are presented in the table below:

| in RR million | Nine months ended | | Variance | | Three months ended | | Variance | |
|--|-------------------------|-------------------------|----------------|-------------|-------------------------|-------------------------|--------------|-------------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| Sales | 18,296 | 15,384 | 2,912 | 19 | 7,124 | 5,967 | 1,157 | 19 |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | (456) | (53) | (403) | (762) | (200) | 35 | (235) | - |
| Cost of sales | (14,408) | (10,658) | (3,750) | (35) | (5,479) | (3,772) | (1,706) | (45) |
| Gross profit | 3,431 | 4,673 | (1,242) | (27) | 1,445 | 2,229 | (784) | (35) |
| <i>Gross profit margin</i> | <i>19%</i> | <i>26%</i> | <i>-7%</i> | | <i>20%</i> | <i>37%</i> | <i>-17%</i> | |
| <i>Gross profit excl. effect of biological assets revaluation</i> | 3,887 | 4,726 | (838) | (18) | 1,646 | 2,195 | (549) | (25) |
| <i>Adjusted gross profit margin</i> | <i>21%</i> | <i>31%</i> | <i>-10%</i> | | <i>23%</i> | <i>37%</i> | <i>-14%</i> | |
| Distribution and selling expenses | (550) | (476) | (74) | (16) | (183) | (200) | 17 | 9 |
| General and administrative expenses | (863) | (697) | (166) | (24) | (286) | (227) | (59) | (26) |
| Other operating income/ (expenses), net | 227 | 92 | 136 | 148 | 87 | (11) | 98 | - |
| <i>incl. reimbursement of operating costs (government grants)</i> | <i>50</i> | <i>22</i> | <i>27</i> | <i>122</i> | <i>48</i> | <i>22</i> | <i>26</i> | <i>115</i> |
| Operating profit | 2,246 | 3,591 | (1,345) | (37) | 1,064 | 1,791 | (728) | (41) |
| Adjusted EBITDA | 4,320 | 5,188 | (868) | (17) | 1,726 | 2,345 | (619) | (26) |
| <i>Adjusted EBITDA margin</i> | <i>24%</i> | <i>34%</i> | <i>-10%</i> | | <i>24%</i> | <i>39%</i> | <i>-15%</i> | |

Sales in the meat segment increased by 19% in 9M 2019 and Q3 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 3rd stage on Tambov Bacon. Sales volumes increase was partly compensated by decrease in selling prices of livestock and processed pigs.

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

| | Nine months ended | | Variance | | Three months ended | | Variance | |
|--|-------------------------|-------------------------|----------|------|-------------------------|-------------------------|----------|------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| Sales volume (in thousand tonnes), | 140 | 112 | 28 | 25 | 53 | 35 | 18 | 52 |
| livestock pigs | 18 | 19 | (1) | (1) | 10 | 5 | 5 | 97 |
| processed pork | 121 | 94 | 27 | 30 | 43 | 30 | 13 | 45 |
| Average sale prices (roubles per kg, excl. VAT): | | | | | | | | |
| livestock pigs | 77.6 | 86.0 | (8.4) | (10) | 81.3 | 94.7 | (13.4) | (14) |
| processed pork | 138.5 | 141.5 | (3.0) | (2) | 145.0 | 164.8 | (19.8) | (12) |

Cost of sales increased by 35% due to growth in feed cost and the costs for animals health protection in 9M 2019 and also higher volumes of livestock pigs transfer to meat processing. Swine foot and mouth disease in Primorie in Q1 2019 resulted in additional loss of RR 136 million, which has been partly compensated by insurance income (recognized in Other operating income).

Net loss on revaluation of biological assets and agricultural produce in 9M 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 9M 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.

An increase in *General and administrative expenses* in 9M 2019 and Q3 2019 compared to prior year periods related to cost of farms in construction.

Agricultural Segment

As at 30 September 2019 the segment's area of controlled land stands at 648 thousand hectares (30 September 2018: 686 thousand hectares), a decrease of 38 thousand hectares or 6%. The financial results of the agricultural segment for 9M 2019 and Q3 2019 compared to 9M 2018 and Q3 2018 respectively are presented below:

| in RR million | Nine months ended | | Variance | | Three months ended | | Variance | |
|--|-------------------------|-------------------------|----------------|-------------|-------------------------|-------------------------|----------------|-------------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| Sales | 15,218 | 7,028 | 8,190 | 117 | 5,884 | 3,816 | 2,068 | 54 |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | (2,245) | 4,266 | (6,510) | - | 550 | 4,884 | (4,334) | (89) |
| Cost of sales | (9,715) | (4,568) | (5,147) | (113) | (4,486) | (2,485) | (2,001) | (81) |
| Net gain/ (loss) from trading derivatives | - | - | - | - | - | - | - | - |
| Gross profit | 3,258 | 6,726 | (3,468) | (52) | 1,949 | 6,215 | (4,266) | (69) |
| <i>Gross profit margin</i> | <i>21%</i> | <i>96%</i> | <i>-75%</i> | | <i>33%</i> | <i>163%</i> | <i>-130%</i> | |
| <i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i> | 5,503 | 2,460 | 3,043 | 124 | 1,399 | 1,331 | 68 | 5 |
| <i>Adjusted gross profit margin</i> | <i>36%</i> | <i>35%</i> | <i>1%</i> | | <i>24%</i> | <i>35%</i> | <i>-11%</i> | |
| Distribution and selling expenses | (2,007) | (1,281) | (726) | (57) | (416) | (638) | 222 | 35 |
| General and administrative expenses | (943) | (918) | (25) | (3) | (352) | (307) | (45) | (15) |
| Other operating income/ (expenses), net | (103) | (8) | (95) | (1,164) | 5 | 60 | (55) | (92) |
| <i>incl. reimbursement of operating costs (government grants)</i> | <i>100</i> | <i>77</i> | <i>23</i> | <i>29</i> | <i>28</i> | <i>17</i> | <i>11</i> | <i>66</i> |
| Operating profit | 205 | 4,519 | (4,314) | (95) | 1,187 | 5,330 | (4,143) | (78) |
| Adjusted EBITDA | 4,221 | 981 | 3,240 | 330 | 1,450 | 766 | 684 | 89 |
| <i>Adjusted EBITDA</i> | <i>28%</i> | <i>14%</i> | <i>14%</i> | | <i>25%</i> | <i>20%</i> | <i>5%</i> | |

Sales increased due to increase both in selling volumes and prices (for all crops except for sugar beet and soybean). Higher crops sales volumes were affected by the management decision to transfer sales from the end of 2018 to Q1 2019 mainly due to expected increase in selling prices.

Sales volumes by product were as follows:

| thousand tonnes | Nine months ended | | Variance | | Three months ended | | Variance | |
|-----------------|-------------------------|-------------------------|----------|------|-------------------------|-------------------------|----------|-------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| sugar beet | 944 | 980 | (36) | (4) | 944 | 978 | (34) | (3) |
| wheat | 474 | 188 | 286 | 152 | 212 | 75 | 137 | 183 |
| barley | 248 | 115 | 133 | 115 | 127 | 36 | 91 | 257 |
| corn | 137 | 80 | 57 | 72 | 12 | 3 | 8 | 233 |
| sunflower seeds | 10 | 4 | 6 | 162 | 2 | 1 | 1 | 99 |
| soybean | 174 | 34 | 140 | 414 | 45 | 3 | 41 | 1 274 |
| other | 5 | 34 | (29) | (84) | 1 | 28 | (27) | (95) |

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

| RR per kilogram, excl. VAT | Nine months ended | | Variance | | Three months ended | | Variance | |
|-------------------------------|-------------------------|-------------------------|----------|------|-------------------------|-------------------------|----------|------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| sugar beet | 1.8 | 2.2 | (0.4) | (21) | 1.8 | 2.3 | (0.5) | (21) |
| wheat | 11.3 | 8.2 | 3.1 | 38 | 8.8 | 9.8 | (1.0) | (10) |
| barley | 10.4 | 9.1 | 1.3 | 15 | 9.5 | 13.1 | (3.6) | (28) |
| corn | 12.6 | 9.5 | 3.1 | 32 | 12.2 | 10.7 | 1.4 | 13 |
| sunflower seeds | 19.0 | 17.4 | 1.6 | 9 | 17.0 | 14.0 | 3.0 | 22 |
| soybean | 20.3 | 22.4 | (2.1) | (9) | 19.2 | 31.1 | (11.9) | (38) |
| other | 5.9 | 7.5 | (1.6) | (22) | 5.7 | 6.7 | (1.0) | (15) |

Net loss on revaluation of biological assets and agricultural produce in 9M 2019 represents the realisation of gain from revaluation of 2018 crops harvest remained in stock as at 31 December 2018 and being subsequently sold to customers during 2019, which is partly compensated by the gain recognised from revaluation of crops for 2019 harvest collected in Q3 2019. The gain on revaluation of crops and its subsequent realisation do not affect the Adjusted EBITDA figure.

Distribution and selling expenses increased by RR 726 million in 9M 2019 and decreased by RR 222 million in Q3 2019. 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. At the same time higher sales volume to local market in Q3 2019 let us see the economy compared to Q3 2018 mainly in part of transportation costs.

Oil and Fat segment

The financial results of the oil and fat segment for 9M 2019 and Q3 2019 compared to 9M 2018 and Q3 2018 respectively are presented below:

| in RR million | Nine months ended | | Variance | | Three months ended | | Variance | |
|--|-------------------------|-------------------------|--------------|-------------|---------------------------|-------------------------|--------------|------------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September r 2019 | 30 September 2018 | Units | % |
| Sales | 50,217 | 14,667 | 35,550 | 242 | 15,638 | 4,638 | 11,000 | 237 |
| Cost of sales | (42,814) | (11,147) | (31,666) | (284) | (12,291) | (3,451) | (8,840) | (256) |
| Gross profit | 7,403 | 3,520 | 3,883 | 110 | 3,347 | 1,188 | 2,160 | 182 |
| <i>Gross profit margin</i> | <i>15%</i> | <i>24%</i> | <i>-9%</i> | | <i>21%</i> | <i>26%</i> | <i>-5%</i> | |
| Distribution and selling expenses | (4,968) | (1,584) | (3,384) | (214) | (1,940) | (474) | (1,466) | (309) |
| General and administrative expenses | (1,191) | (606) | (585) | (97) | (450) | (221) | (229) | (103) |
| Other operating income/(expenses), net | (209) | 49 | (258) | - | - | 75 | (75) | (100) |
| Operating profit/ (loss) | 1,035 | 1,379 | (344) | (25) | 958 | 567 | 390 | 69 |
| Adjusted EBITDA | 1,672 | 1,764 | (92) | (5) | 1,094 | 684 | 410 | 60 |
| <i>Adjusted EBITDA margin</i> | <i>3%</i> | <i>12%</i> | <i>-9%</i> | | <i>7%</i> | <i>15%</i> | <i>-8%</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 | Nine months ended | | Variance | | Three months ended | | Variance | |
|-------------------------------|-------------------------|-------------------------|--------------|------------|-------------------------|-------------------------|---------------|------------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| Sales, incl. | 50,217 | 14,667 | 35,55 | 242 | 15,638 | 4,638 | 11,000 | 237 |
| <i>Samara oil plant</i> | 34,245 | 7,948 | 26,29 | 331 | 12,195 | 2,634 | 9,561 | 363 |
| <i>Ekat. fat plant</i> | 28,369 | 6,863 | 21,50 | 313 | 9,335 | 3,008 | 6,327 | 210 |
| <i>Far East</i> | 2,376 | 2,506 | (130) | (5) | 669 | 444 | 225 | 51 |
| <i>Eliminations(*)</i> | (14,773) | (2,650) | (12,123) | (457) | (6,561) | (1,448) | (5,113) | (353) |
| Gross profit, incl. | 7,403 | 3,520 | 3,883 | 110 | 3,347 | 1,188 | 2,160 | 182 |
| <i>Samara oil plant</i> | 3,570 | 1,467 | 2,103 | 143 | 1,717 | 444 | 1,273 | 287 |
| <i>Ekat. fat plant</i> | 3,776 | 1,707 | 2,069 | 121 | 1,612 | 660 | 952 | 144 |
| <i>Far East</i> | 43 | 465 | (422) | (91) | 9 | 119 | (110) | (93) |
| <i>Eliminations(*)</i> | 13 | (120) | 133 | - | 10 | (35) | 44 | - |
| Adjusted EBITDA, incl. | 1,672 | 1,764 | (92) | (5) | 1,094 | 684 | 410 | 60 |
| <i>Samara oil plant</i> | 1,189 | 935 | 254 | 27 | 836 | 379 | 457 | 121 |
| <i>Ekat. fat plant</i> | 509 | 602 | (93) | (15) | 252 | 251 | 1 | 0 |
| <i>Far East</i> | (74) | 260 | (334) | - | (26) | 66 | (92) | - |
| <i>Eliminations(*)</i> | 48 | (33) | 81 | - | 32 | (12) | 44 | - |
| Adjusted EBITDA margin | 3% | 12% | -9% | | 7% | 15% | -8% | |
| <i>Samara oil plant</i> | 3% | 12% | -8% | | 7% | 14% | -8% | |
| <i>Ekat. fat plant</i> | 2% | 9% | -7% | | 3% | 8% | -6% | |
| <i>Far East</i> | -3% | 10% | -13% | | -4% | 15% | -19% | |

(*) 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 | Nine months ended | | Variance | | Three months ended | | Variance | |
|-----------------|-------------------|-------------------|----------|-------|--------------------|-------------------|----------|-------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| mayonnaise | 99 | 33 | 66 | 203 | 37 | 12 | 25 | 198 |
| margarine | 31 | 20 | 11 | 54 | 11 | 7 | 4 | 66 |
| bottled oil | 109 | 52 | 57 | 109 | 37 | 27 | 10 | 37 |
| industrial fats | 176 | 6 | 170 | 2,887 | 70 | 2 | 68 | 2,822 |
| bulk oil | 409 | 85 | 324 | 381 | 92 | 11 | 81 | 709 |
| meal | 470 | 174 | 296 | 170 | 136 | 41 | 95 | 230 |

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

| RR per kilogram, excl. VAT | Nine months ended | | Variance | | Three months ended | | Variance | |
|----------------------------|-------------------|-------------------|----------|------|--------------------|-------------------|----------|------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| mayonnaise | 79.9 | 81.4 | -1.5 | (2) | 79.9 | 82.6 | -2.8 | (3) |
| margarine | 80.8 | 81.8 | -1.0 | (1) | 80.4 | 86.4 | -6.1 | (7) |
| bottled oil | 53.8 | 54.9 | -1.1 | (2) | 54.1 | 55.8 | -1.7 | (3) |
| industrial fats | 48.1 | 49.5 | -1.4 | (3) | 45.4 | 50.6 | -5.2 | (10) |
| bulk oil | 44.3 | 43.6 | 0.7 | 2 | 45.8 | 46.4 | -0.5 | (1) |
| meal | 15.0 | 18.4 | -3.4 | (18) | 15.1 | 19.2 | -4.1 | (21) |

Sales increased as a result of tolling scheme with SolPro assets (during 1H 2019) and increased capacity, rented from SolPro (during 3Q 2019) and, as result, higher volumes of bulk and bottled oil and industrial fats sold. At the same time, EBITDA margin decreased to 3% in 9M 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 are reflected in Rusagro EBITDA. EBITDA margin has increased by 1% in 9M 2019 compared to 1H 2019.

Increase in *Distribution and selling expenses* by RR 3,384 million in 9M 2019 and by RR 1,466 million in Q3 2019 compared to the prior period 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 585 million in 9M 2019 and by RR 229 million in Q3 2019 compared to the prior period is attributed to higher number of employees in administrative function in Oil and Fat segment. Increase by RR 172 million was related to rent of SolPro's storage space.

Increase in *Other operating expenses* by RR 258 million in 9M 2019 was mainly due to write-off of RR 175 million as result of sunflower technological losses.

Milk Products Segment

The financial results of the Milk Products segment for 9M 2019 and Q3 2019 as compared to 9M 2018 and Q3 2018 respectively are presented in the table below:

| in RR million | Nine months ended | | Variance | | Three months ended | | Variance | |
|---|-------------------------|-------------------------|------------|----------|-------------------------|-------------------------|------------|----------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| Sales | 2,829 | - | 2,829 | - | 997 | - | 997 | - |
| Cost of sales | (2,579) | - | (2,579) | - | (896) | - | (896) | - |
| Gross profit | 250 | - | 250 | - | 101 | - | 101 | - |
| <i>Gross profit margin</i> | <i>9%</i> | <i>-</i> | <i>9%</i> | | <i>10%</i> | <i>-</i> | <i>10%</i> | |
| Distribution and selling expenses | (100) | - | (100) | - | (26) | - | (26) | - |
| General and administrative | (104) | - | (104) | - | (30) | - | (30) | - |
| Other operating income/ (expenses), net | (11) | - | (11) | - | (9) | - | (9) | - |
| Operating profit | 35 | - | 35 | - | 35 | - | 35 | - |
| Adjusted EBITDA | 48 | - | 48 | - | 45 | - | 45 | - |
| <i>Adjusted EBITDA margin</i> | <i>2%</i> | <i>-</i> | <i>2%</i> | | <i>5%</i> | <i>-</i> | <i>5%</i> | |

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

Sales volumes by product were as follows:

| Thousand tonnes | Nine months ended | | Variance | | Three months ended | | Variance | |
|---------------------------|-------------------------|-------------------------|----------|---|-------------------------|-------------------------|----------|---|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| cheese and cheese product | 6 | - | 6 | - | 2 | - | 2 | - |
| butter and spread | 2 | - | 2 | - | 0 | - | 0 | - |
| dry mixes | 11 | - | 11 | - | 4 | - | 4 | - |
| cream | 1 | - | 1 | - | 1 | - | 1 | - |

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

| RR per kilogram, excl. VAT | Nine months ended | | Variance | | Three months ended | | Variance | |
|----------------------------|-------------------------|-------------------------|----------|---|-------------------------|-------------------------|----------|---|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| cheese and cheese product | 216.9 | - | 216.9 | - | 203.0 | - | 203.0 | - |
| butter and spread | 279.2 | - | 279.2 | - | 235.4 | - | 235.4 | - |
| dry mixes | 80.0 | - | 80.0 | - | 197.5 | - | 197.5 | - |
| cream | 197.5 | - | 197.5 | - | 82.0 | - | 82.0 | - |

Key consolidated cash flow indicators (not IFRS presentation*)

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

| in mln Roubles | Nine months ended | | Variance | | Three months ended | | Variance | |
|--|-------------------------|-------------------------|----------------|-------------|-------------------------|-------------------------|----------------|--------------|
| | 30 September 2019 | 30 September 2018 | Units | % | 30 September 2019 | 30 September 2018 | Units | % |
| Net cash from operating activities, incl. | 28,298 | 13,041 | 15,256 | 117 | 9,674 | 5,735 | 3,939 | 69 |
| <i>Operating cash flow before working capital changes</i> | 13,602 | 10,729 | 2,873 | 27 | 3,998 | 4,187 | (189) | (5) |
| <i>Working capital changes</i> | 14,652 | 2,924 | 11,728 | 401 | 5,543 | 1,931 | 3,612 | 187 |
| Net cash from investing activities, incl. | (20,670) | (14,402) | (6,268) | (44) | (14,562) | (6,463) | (8,099) | (125) |
| <i>Purchases of property plant and equipment and inventories intended for construction</i> | (12,390) | (12,097) | (293) | (2) | (5,985) | (4,216) | (1,769) | (42) |
| Net cash from financing activities | (4,273) | 3,586 | (7,859) | - | 7,179 | 5,335 | 1,844 | 35 |
| Net effect of exchange rate changes on cash and cash equivalents | (114) | 143 | (257) | - | (0) | 80 | (80) | - |
| Net increase / (decrease) in cash and cash equivalents | 3,240 | 2,368 | 871 | 37 | 2,290 | 4,687 | (2,396) | (51) |

(*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in 9M 2019 were made in the Meat segment in the amount of RR 8,089 million (9M 2018: RR 7,547 million), related to the construction project in the Tambov and Far East regions. Significant investments were also made in Sugar segment in the amount of RR 2,690 million (9M 2018: RR 2,231 million) for construction of second desugarisation line. Investments in the Oil and Fat segment amounted to RR 150 million (9M 2018: RR 883 million) and in the Agriculture segment amounted to RR 1,423 million (9M 2018: RR 1,447 million), related to purchases of machinery and equipment.

Debt position and liquidity management

| in RR million | 30 September 2019 | 31 December 2018 | Variance | |
|---|----------------------|---------------------|----------------|------------|
| | | | Units | % |
| Gross debt | 89,173 | 95,102 | (5,929) | (6) |
| <i>Short-term borrowings</i> | 23,693 | 32,514 | (8,821) | (27) |
| <i>Long-term borrowings</i> | 65,481 | 62,588 | 2,893 | 5 |
| Cash and cash equivalents, bank deposits and bonds | (38,947) | (40,759) | 1,812 | 4 |
| <i>Short-term cash, deposits and bonds</i> | (4,984) | (4,543) | (441) | (10) |
| <i>Long-term cash, deposits and bonds</i> | (33,964) | (36,216) | 2,252 | 6 |
| Net debt | 50,226 | 54,342 | (4,116) | (8) |
| <i>Short-term borrowings, net</i> | 18,709 | 27,971 | (9,262) | (33) |
| <i>Long-term borrowings, net</i> | 31,517 | 26,371 | 5,146 | 20 |
| Adjusted EBITDA (LTM⁴) | 19,157 | 16,179 | 2,978 | 18 |
| Net debt/ Adjusted EBITDA (LTM) | 2.62 | 3.36 | (0.74) | |

Net finance income/ (expense)

| in RR million | Nine months ended | | Variance | | Three months ended | | Variance | |
|---|-------------------|----------------|----------------|--------------|--------------------|----------------|--------------|-------------|
| | 30 | 30 | Units | % | 30 | 30 | Units | % |
| | September 2019 | September 2018 | | | September 2019 | September 2018 | | |
| Net interest expense | (3,942) | (1,737) | (2,205) | (127) | (1,225) | (658) | (566) | (86) |
| <i>Gross interest expense</i> | (4,870) | (2,395) | (2,475) | (103) | (1,512) | (806) | (706) | (88) |
| <i>Reimbursement of interest expense</i> | 928 | 658 | 270 | 41 | 288 | 148 | 139 | 94 |
| Interest income | 6,012 | 2,708 | 3,304 | 122 | 2,016 | 893 | 1,123 | 126 |
| Net gain/ (loss) from bonds held for trading | (21) | -29 | 9 | 29 | 2 | -21 | 23 | - |
| Other financial income, net | 558 | (36) | 594 | - | 173 | 45 | 127 | 281 |
| <i>Net foreign exchange gain/ (loss)</i> | (32) | (56) | 24 | 42 | (43) | 47 | (90) | - |
| <i>Other financial income / (expenses), net</i> | 590 | 19 | 570 | 2,936 | 216 | (2) | 218 | - |
| Total net finance income/ (expenses) | 2,607 | 906 | 1,701 | 188 | 966 | 259 | 707 | 273 |

In Q3 2019 the Group continued to enjoy benefits from the state agriculture subsidies programme. In addition, in 2019 the Group continued the receiving bank loans with decreased preferential interest rates under the new programme of government support. Under this programme, the government provides subsidies to the banks to compensate the loss of income on credits with decreased interest rates, given by the banks to agricultural producers. In Q3 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 9M 2018 in the sum of RR 906 million increased to net finance income in amount of RR 2,607 million in the 9M 2019 as the result of accrual of interest on rights to claims SolPro entities, an increase in other financial income due to revaluation effect of rights to claims SolPro entities and partly compensating effect of interest on new loans from RSHB and Sberbank.

(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 13% share in sugar production in Russia and №1 with 48% share of cubed 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 648 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 one of the leading producers of mayonnaise and consumer margarine in Russia sold under a number of brands, such as EZhK, Schedroye Leto, Mechta Khozyaiki, Gotovim Doma, Maslava and Soyaco. The Group operates an Oil extraction plant in Samara and two oil and fats plant in Ekaterinburg and in the Far East Primorie Region. Own sunflower and soy oil production allows to control the source of the vegetable oil required to produce oil and fats products. In 2018 Rusagro acquired the debt of Solnechnye Producty from Russian Agriculture bank and is planning to purchase assets of some of its plants increasing the production and its market share.

Forward-looking statements

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

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

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

Rusagro management is organizing a conference call about its 9M and Q3 2019 financial results for investors and analysts.

Details of the call:

| | |
|--------------------|--|
| Date | 19 November 2019 |
| Time | 4:00 PM (Moscow) / 2:00 PM (London) |
| Subject | ROS AGRO PLC Financial Results 3Q 2019 and 9M 2019 |
| 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 | 86394281# |

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Appendix 1. Unaudited consolidated statement of comprehensive income for the Nine months ended 30 September 2019 (in RR thousand)

| | Nine months ended 30 September | | Three months ended 30 September | |
|--|-----------------------------------|-------------------|------------------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Sales | 104,891,262 | 52,200,982 | 33,753,754 | 19,386,412 |
| Net gain/(loss) on revaluation of biological assets and agricultural produce | (3,284,329) | 4,210,927 | 626,763 | 5,111,367 |
| Cost of sales | (82,701,813) | (37,365,392) | (26,621,669) | (13,525,676) |
| Net gain/(loss) from trading derivatives | (5,145) | 6,363 | 678 | 1,803 |
| Gross profit | 18,899,975 | 19,052,880 | 7,759,526 | 10,973,906 |
| Distribution and selling expenses | (9,324,032) | (4,955,998) | (3,078,053) | (1,627,097) |
| General and administrative expenses | (5,148,877) | (4,060,760) | (1,698,693) | (1,418,959) |
| Other operating income/ (expenses), net | 230,125 | (532,042) | (82,901) | (510,906) |
| Operating profit / (loss) | 4,657,191 | 9,504,080 | 2,899,879 | 7,416,944 |
| Interest expense | (3,942,368) | (1,737,182) | (1,224,560) | (658,172) |
| Interest income | 6,012,122 | 2,708,368 | 2,016,116 | 893,250 |
| Net (loss)/gain from bonds | (20,649) | (29,270) | 1,866 | (21,311) |
| Other financial income/ (expenses), net | 557,726 | (36,085) | 172,763 | 45,291 |
| Profit before income tax | 7,264,022 | 10,409,911 | 3,866,064 | 7,676,002 |
| Income tax expense | (118,826) | (432,384) | (73,836) | (61,117) |
| Profit for the period | 7,145,196 | 9,977,527 | 3,792,228 | 7,614,885 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 7,145,196 | 9,977,527 | 3,792,228 | 7,614,885 |
| Profit is attributable to: | | | | |
| Owners of ROS AGRO PLC | 7,172,900 | 9,957,216 | 3,800,223 | 7,614,885 |
| Non-controlling interest | (27,704) | 20,311 | (7,995) | - |
| Profit for the period | 7,145,196 | 9,977,527 | 3,792,228 | 7,614,885 |
| Total comprehensive income is attributable to: | | | | |
| Owners of ROS AGRO PLC | 7,172,900 | 9,957,216 | 3,800,223 | 7,614,885 |
| Non-controlling interest | (27,704) | 20,311 | (7,995) | - |
| Total comprehensive income for the period | 7,145,196 | 9,977,527 | 3,792,228 | 7,614,885 |
| Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share) | 266.65 | 370.17 | 141.27 | 283.09 |

Appendix 2. Unaudited segment information for the Nine months ended 30 September 2019 (in RR thousand)

| 9M 2019 | Sugar | Meat | Agriculture | Oil and Fat | Other | Eliminations | Total |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Sales | 23,241,962 | 18,295,504 | 15,218,224 | 50,216,762 | 3,052,465 | (5,133,655) | 104,891,262 |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | - | (455,968) | (2,244,641) | - | - | (583,721) | (3,284,330) |
| Cost of sales | (19,410,639) | (14,408,407) | (9,715,484) | (42,813,657) | (2,682,402) | 6,328,776 | (82,701,813) |
| <i>incl. Depreciation</i> | <i>(1,438,616)</i> | <i>(1,747,416)</i> | <i>(1,372,481)</i> | <i>(343,338)</i> | <i>(5,839)</i> | <i>(11,100)</i> | <i>(4,918,790)</i> |
| Net loss from trading derivatives | (5,139) | - | - | - | (6) | - | (5,145) |
| Gross profit / (loss) | 3,826,184 | 3,431,129 | 3,258,099 | 7,403,105 | 370,057 | 611,400 | 18,899,974 |
| Distribution and Selling, General and administrative expenses | (2,824,843) | (1,412,653) | (2,950,049) | (6,158,751) | (1,419,632) | 293,018 | (14,472,910) |
| <i>incl. Depreciation</i> | <i>(56,715)</i> | <i>(48,876)</i> | <i>(196,070)</i> | <i>(84,221)</i> | <i>(18,426)</i> | <i>11,100</i> | <i>(393,208)</i> |
| Other operating income/(expenses), net | 403,416 | 227,444 | (103,270) | (209,380) | 10,801,147 | (10,889,233) | 230,124 |
| <i>incl. Reimbursement of operating costs (government grants)</i> | <i>53,088</i> | <i>49,631</i> | <i>99,939</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>202,658</i> |
| Operating profit / (loss) | 1,404,757 | 2,245,920 | 204,780 | 1,034,974 | 9,751,572 | (9,984,815) | 4,657,188 |
| Adjustments: | | | | | | | |
| Depreciation included in Operating Profit | 1,495,331 | 1,796,292 | 1,568,551 | 427,559 | 24,265 | - | 5,311,998 |
| Other operating (income) /expenses, net | (403,416) | (227,444) | 103,270 | 209,380 | (10,801,147) | 10,889,233 | (230,124) |
| Reimbursement of operating costs (government grants) | 53,088 | 49,631 | 99,939 | - | - | - | 202,658 |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | - | 455,968 | 2,244,641 | - | - | 583,721 | 3,284,330 |
| Adjusted EBITDA * | 2,549,760 | 4,320,367 | 4,221,181 | 1,671,913 | (1,025,310) | 1,488,139 | 13,226,050 |

* Non-IFRS measure

Appendix 2 (continued). Unaudited segment information for the Nine months ended 30 September 2018 (in RR thousand)

| 9M 2018 | Sugar | Meat | Agriculture | Oil and Fat | Other | Eliminations | Total |
|---|------------------|------------------|--------------------|--------------------|-------------------|---------------------|-------------------|
| Sales | 17,733,579 | 15,383,781 | 7,028,008 | 14,666,970 | 825,008 | (3,436,363) | 52,200,982 |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | - | (52,887) | 4,265,789 | - | - | (1,974) | 4,210,927 |
| Cost of sales | (12,956,143) | (10,658,255) | (4,568,112) | (11,147,212) | (686,318) | 2,650,759 | (37,365,392) |
| <i>incl. Depreciation</i> | (1,546,829) | (1,578,281) | (507,045) | (264,475) | (1,968) | (9,113) | (3,907,711) |
| Net gain/ (loss) from trading derivatives | 6,363 | - | - | - | - | - | 6,363 |
| Gross profit | 4,783,799 | 4,672,639 | 6,725,684 | 3,519,744 | 138,690 | (787,579) | 19,052,853 |
| Distribution and Selling, General and administrative expenses | (2,741,268) | (1,173,126) | (2,198,585) | (2,189,935) | (881,238) | 167,394 | (9,016,758) |
| <i>incl. Depreciation</i> | (64,696) | (35,393) | (135,905) | (98,339) | (18,163) | 9,113 | (343,384) |
| Other operating income/(expenses), net | 3,378,032 | 91,771 | (8,170) | 49,015 | 13,968,689 | (18,011,379) | (532,042) |
| <i>incl. Reimbursement of operating costs (government grants)</i> | - | 22,384 | 77,206 | 71,592 | - | - | 171,182 |
| Operating profit / (loss) | 5,420,564 | 3,591,283 | 4,518,929 | 1,378,824 | 13,226,141 | (18,631,564) | 9,504,052 |
| Adjustments: | | | | | | | |
| Depreciation included in Operating Profit | 1,611,526 | 1,613,675 | 642,950 | 362,815 | 20,131 | - | 4,251,097 |
| Other operating (income) /expenses net | (3,378,032) | (91,771) | 8,170 | (49,015) | (13,968,689) | 18,011,379 | 532,042 |
| Reimbursement of operating costs (government grants) | - | 22,384 | 77,206 | 71,592 | - | - | 171,182 |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | - | 52,887 | (4,265,789) | - | - | 1,974 | (4,210,927) |
| Adjusted EBITDA * | 3,654,057 | 5,188,458 | 981,467 | 1,764,294 | (722,417) | (618,211) | 10,247,674 |

* Non-IFRS measure

**Appendix 3. Unaudited consolidated statement of financial position as at 30 September 2019
(in RR thousand)**

| | 30 September 2019 | 31 December 2018 |
|--|--------------------------|-------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 4,968,117 | 1,728,396 |
| Restricted cash | 235,604 | 49 |
| Short-term investments | 8,897,886 | 8,551,238 |
| Trade and other receivables | 8,048,039 | 6,226,403 |
| Prepayments | 2,597,094 | 2,194,971 |
| Current income tax receivable | 215,485 | 533,459 |
| Other taxes receivable | 3,850,062 | 4,420,011 |
| Inventories and short-term biological assets | 42,549,025 | 53,076,878 |
| Total current assets | 71,361,312 | 76,731,405 |
| Non-current assets | | |
| Property, plant and equipment | 76,453,536 | 68,606,452 |
| Inventories intended for construction | 3,571,246 | 4,136,855 |
| Goodwill | 2,364,942 | 2,364,942 |
| Advances paid for non-current assets | 12,260,526 | 9,681,448 |
| Long-term biological assets | 3,309,149 | 2,650,201 |
| Long-term investments and receivables | 49,426,104 | 54,494,252 |
| Investments in associates | 8,507,320 | 7,320 |
| Deferred income tax assets | 3,711,808 | 1,866,593 |
| Other intangible assets | 2,142,207 | 2,202,786 |
| Other non-current assets | - | 215,417 |
| Non-current assets held for sale | - | 820,950 |
| Total non-current assets | 161,746,838 | 147,047,216 |
| Total assets | 233,108,150 | 223,778,621 |
| LIABILITIES and EQUITY | | |
| Current liabilities | | |
| Short-term borrowings | 23,692,768 | 32,513,595 |
| Trade and other payables | 21,085,904 | 12,190,160 |
| Current income tax payable | 115,160 | 60,913 |
| Other taxes payable | 4,552,035 | 4,023,943 |
| Total current liabilities | 49,445,867 | 48,788,611 |
| Non-current liabilities | | |
| Long-term borrowings | 65,480,667 | 62,587,531 |
| Government grants | 8,386,477 | 7,310,975 |
| Deferred income tax liability | 1,985,464 | 359,051 |
| Other non-current liabilities | 3,544,393 | 2,465,813 |
| Total non-current liabilities | 79,397,001 | 72,723,370 |
| Total liabilities | 128,842,868 | 121,511,981 |
| Equity | | |
| Share capital | 12,269 | 12,269 |
| Treasury shares | (490,607) | (490,607) |
| Additional paid-in capital | 26,964,479 | 26,964,479 |
| Other reserves | 1,344,970 | 1,326,579 |
| Retained earnings | 76,230,177 | 74,286,089 |
| Equity attributable to owners of ROS AGRO PLC | 104,061,288 | 102,098,809 |
| Non-controlling interest | 203,994 | 167,831 |
| Total equity | 104,265,282 | 102,266,640 |
| Total liabilities and equity | 233,108,150 | 223,778,621 |

Appendix 4. Unaudited consolidated statement of cash flows for the Nine months ended 30 September 2019 (in RR thousand) – NOT IFRS PRESENTATION (*)

| | Nine months, ended | |
|---|---------------------|---------------------|
| | 30 September 2019 | 30 September 2018 |
| Cash flows from operating activities | | |
| Profit before income tax | 7,264,021 | 10,409,911 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortization | 6,242,462 | 5,778,084 |
| Interest expense | 3,889,580 | 2,395,316 |
| Government grants | (551,963) | (1,139,681) |
| Interest income | (6,012,122) | (2,708,368) |
| Loss / (gain) on disposal of property, plant and equipment | 35,785 | 23,249 |
| Net (gain) / loss on revaluation of biological assets and agricultural produce | 3,284,329 | (4,181,257) |
| Change in provision for net realisable value of inventory | 23,363 | (23,412) |
| Share of results of associates | - | - |
| Change in provision for impairment of receivables and prepayments | 91,244 | 20,744 |
| Foreign exchange (gain) / loss, net | 50,650 | 109,484 |
| Lost / (reversal of) harvest write-off | 101,327 | 12,600 |
| Net (gain) / loss from bonds held for trading | 20,649 | 29,265 |
| Settlement of loans and accounts receivable previously written-off | (160) | (130) |
| Change in provision for impairment of advances paid for property, plant and equipment | 19,642 | (38,787) |
| Loss / (gain) on disposal of subsidiaries, net | (364,880) | 48,565 |
| Loss / (gain) on other investments | (144,302) | 117 |
| Other non-cash and non-operating expenses, net | (347,245) | (6,393) |
| Operating cash flow before working capital changes | 13,602,380 | 10,729,305 |
| Change in trade and other receivables and prepayments | (2,077,328) | 2,137,321 |
| Change in other taxes receivable | 569,949 | 329,274 |
| Change in inventories | 6,447,956 | (2,437,111) |
| Change in trade and other payables | 9,364,120 | 2,887,518 |
| Change in other taxes payable | 347,273 | 6,513 |
| Cash generated from operations | 28,254,350 | 13,652,820 |
| Income tax paid | 43,196 | (611,486) |
| Net cash from operating activities | 28,297,546 | 13,041,334 |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | (11,810,722) | (10,992,570) |
| Purchases of other intangible assets | (257,819) | (264,820) |
| Proceeds from sales of property, plant and equipment | 169,621 | 57,668 |
| Purchases of inventories intended for construction | (579,313) | (1,104,550) |
| Purchases of associates | (8,573,150) | - |
| Investments in subsidiaries, net of cash acquired | - | (2,098,209) |
| Movement in restricted cash | (242,491) | 658 |
| Proceeds from sale of subsidiaries, net of cash disposed | 478,710 | - |
| Proceeds from sales of other investments | 145,000 | - |
| Net cash from investing activities | (20,670,164) | (14,401,823) |

Appendix 4 (continued). Unaudited consolidated statement of cash flows for the Nine months ended 30 September 2019 (in RR thousand) – NOT IFRS PRESENTATION (*)

| | Nine months, ended | |
|--|--------------------|-------------------|
| | 30 September 2019 | 30 September 2018 |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 32,885,674 | 8,931,960 |
| Repayment of borrowings | (40,909,438) | (7,226,657) |
| Interest paid | (3,295,281) | (2,412,223) |
| Proceeds from sales of promissory notes* | 100,000 | - |
| Change in cash on bank deposits* | 2,594,903 | 6,159,309 |
| Proceeds from sales of bonds with maturity over* three months* | 2,323,560 | - |
| Loans given* | (188,649) | (1,497,872) |
| Loans repaid* | 1,864,389 | 3,643 |
| Interest received* | 2,883,286 | 2,430,449 |
| Proceeds from government grants | 915,104 | 733,373 |
| Purchases of non-controlling interest | (35) | (59,316) |
| Dividends paid to owners Ros Agro PLC | (3,401,658) | (3,485,666) |
| Lease payments | (45,253) | 8,713 |
| Net cash from financing activities | (4,273,398) | 3,585,730 |
| Net effect of exchange rate changes on cash and cash equivalents | (114,227) | 143,055 |
| Net increase/ (decrease) in cash and cash equivalents | 3,239,758 | 2,368,297 |
| Cash and cash equivalents at the beginning of the period | 1,728,359 | 4,860,335 |
| Cash and cash equivalents at the end of the period | 4,968,117 | 7,228,632 |

(*) 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.