

# FINANCIAL RESULTS REVIEW

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Rusagro annually prepares Consolidated and Parent Company IFRS financial statements published together with Independent Auditor's Report. In 2020, the independent auditor was PricewaterhouseCoopers Limited.

According to the Auditor, the prepared consolidated financial statements gave a true and fair view of the consolidated financial position of ROS AGRO PLC and its subsidiaries as of 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year ended in accordance with IFRS as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap 113.

Complete copy of the Audited Consolidated Statements of ROS AGRO PLC for 2020 is included in Additional Information. The Audited Parent Company Statements of ROS AGRO PLC for 2020 is available at the official web page of the Company. They can also be found on the portal of the London and Moscow Exchanges.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020, THOUSANDS OF RUSSIAN ROUBLES

	31 December 2020	31 December 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	11,866,798	2,170,779
Restricted cash	143,637	39
Short-term investments	19,583,523	23,456,552
Trade and other receivables	9,512,286	8,068,349
Prepayments	2,941,224	3,018,658
Current income tax receivable	646,162	225,315
Other taxes receivable	5,506,675	4,349,400
Inventories	63,266,389	44,560,948
Short-term biological assets	5,734,979	4,825,849
<b>Total current assets</b>	<b>119,201,673</b>	<b>90,675,889</b>
<b>Non-current assets</b>		
Property, plant and equipment	87,519,088	80,629,483
Inventories intended for construction	3,353,330	3,157,369
Right-of-use assets	6,934,567	6,230,707
Goodwill	2,364,942	2,364,942
Advances paid for property, plant and equipment	6,905,003	8,721,155
Long-term biological assets	2,528,128	2,279,335
Long-term investments	42,692,320	42,636,323
Investments in associates	257,782	165,070
Deferred income tax assets	3,566,168	1,852,983
Intangible assets	619,793	608,635
Other non-current assets	205,793	173,002
<b>Total non-current assets</b>	<b>156,946,914</b>	<b>148,819,004</b>
<b>TOTAL ASSETS</b>	<b>276,148,587</b>	<b>239,494,893</b>

CONSOLIDATED STATEMENT OF FINANCIAL  
 POSITION AS AT 31 DECEMBER 2020,  
 THOUSANDS OF RUSSIAN ROUBLES  
 (CONTINUATION)

	31 December 2020	31 December 2019
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Short-term borrowings	51,753,475	31,834,699
Lease liabilities	943,859	916,791
Trade and other payables	16,016,138	17,492,614
Current income tax payable	69,546	123,846
Other taxes payable	4,096,199	3,468,034
Provisions for other liabilities and charges	179,796	-
<b>Total current liabilities</b>	<b>73,059,013</b>	<b>53,835,984</b>
<b>Non-current liabilities</b>		
Long-term borrowings	63,175,720	66,040,784
Government grants	8,536,899	8,306,779
Lease liabilities	4,855,508	3,989,801
Deferred income tax liability	487,049	494,977
<b>Total non-current liabilities</b>	<b>77,055,176</b>	<b>78,832,341</b>
<b>Total liabilities</b>	<b>150,114,189</b>	<b>132,668,325</b>
<b>Equity</b>		
Share capital	12,269	12,269
Treasury shares	(490,607)	(490,607)
Share premium	26,964,479	26,964,479
Share-based payment reserve	1,313,691	1,313,691
Fair value reserve	49,486	-
Retained earnings	98,185,038	78,960,843
<b>Equity attributable to owners of ROS AGRO PLC</b>	<b>126,034,356</b>	<b>106,760,675</b>
Non-controlling interest	42	65,893
<b>Total equity</b>	<b>126,034,398</b>	<b>106,826,568</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>276,148,587</b>	<b>239,494,893</b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020, THOUSANDS OF RUSSIAN ROUBLES

	Year ended 31 December 2020	Year ended 31 December 2019
Sales	158,971,035	138,172,424
Net gain/(loss) on revaluation of biological assets and agricultural produce	5,890,447	(4,111,947)
Cost of sales	(121,132,658)	(110,470,963)
Net gain/(loss) from trading derivatives	10,552	(7,348)
<b>Gross profit</b>	<b>43,739,376</b>	<b>23,582,166</b>
Distribution and selling expenses	(9,760,841)	(9,818,779)
General and administrative expenses	(7,377,449)	(6,711,005)
Provision for impairment of loans issued	(5,070,598)	-
Other operating income/(expenses), net	2,293,017	1,926,686
<b>Operating profit</b>	<b>23,823,505</b>	<b>8,979,068</b>
Interest expense	(4,804,995)	(5,481,240)
Interest income calculated using the effective interest method	5,122,640	5,140,878
Other similar interest income	2,042,176	2,163,967
Net (loss) from bonds held for trading	(15,698)	(27,711)
Other financial income/(expenses), net	(1,844,130)	(330,699)
<b>Profit before income tax</b>	<b>24,323,498</b>	<b>10,444,263</b>
Income tax expense	(26,771)	(735,754)
<b>Profit for the year</b>	<b>24,296,727</b>	<b>9,708,509</b>
<b>Other comprehensive income:</b>		
Items that will not be reclassified to profit or loss:		
Gains less losses on investments in equity securities at fair value through other comprehensive income	56,556	-
Income tax relating to other comprehensive income	(7,070)	-
<b>Total comprehensive income for the year</b>	<b>24,346,213</b>	<b>9,708,509</b>
<b>Profit/(loss) is attributable to:</b>		
■ Owners of ROS AGRO PLC	24,359,786	9,808,204
■ Non-controlling interest	(63,059)	(99,695)
<b>Profit for the year</b>	<b>24,296,727</b>	<b>9,708,509</b>
<b>Total comprehensive income/(loss) is attributable to:</b>		
■ Owners of ROS AGRO PLC	24,409,272	9,808,204
■ Non-controlling interest	(63,059)	(99,695)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>24,346,213</b>	<b>9,708,509</b>
Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share)	905.39	364.62

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020, THOUSANDS OF RUSSIAN ROUBLES

	Year ended 31 December 2020	Year ended 31 December 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before income tax</b>	<b>24,323,498</b>	<b>10,444,263</b>
<b>Adjustments for:</b>		
Depreciation and amortization	10,794,046	8,479,952
Interest expense	6,448,154	6,829,598
Government grants	(3,216,290)	(2,363,233)
Interest income	(7,164,816)	(7,304,845)
Net (gain)/loss on disposal of property, plant and equipment	(335,640)	110,601
Net (gain) / loss on revaluation of biological assets and agricultural produce	(5,890,447)	4,111,947
Change in provision for impairment of loans issued	5,070,598	-
Change in provision for net realizable value of inventory	732,238	(29,168)
Loss on sale of assets held for sale	-	412,111
Lease finance expense	580,276	590,777
The result of early loan repayment	131,363	-
Change in provision for impairment of receivables and prepayments	13,592	75,855
Foreign exchange loss /(gain), net	1,698,846	(177,728)
Share based remuneration	-	(12,888)
Lost harvest write-off	188,536	122,468
Net loss from bonds held for trading	15,698	27,711
Change in provision for impairment of advances paid for property, plant and equipment	(29,620)	29,066
Change in other provisions	179,796	-
Gain on sale of subsidiaries, net	-	(364,880)
Dividend income	(560,568)	-
Realized deferred day-one gain	(993,558)	(1,592,001)
Other non-cash and non-operating (income)/expenses, net	(87,031)	33,405
<b>Operating cash flows before working capital changes</b>	<b>31,898,671</b>	<b>19,423,011</b>
Change in trade and other receivables and prepayments	(1,920,133)	(2,509,233)
Change in other taxes receivable	(1,157,275)	70,610
Change in inventories	(13,280,552)	771,944
Change in biological assets	(1,888,960)	(859,311)
Change in trade and other payables	(209,572)	4,902,852
Change in other taxes payable	708,164	(428,669)
<b>Cash generated from operations</b>	<b>14,150,343</b>	<b>21,371,204</b>
Income taxes paid	(2,033,327)	(206,139)
<b>Net cash from operating activities</b>	<b>12,117,016</b>	<b>21,165,065</b>

- Agriculture Business
- Oil and Fats Business
- Meat Business
- Sugar Business
- Dairy Products Business

	Year ended 31 December 2020	Year ended 31 December 2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(12,405,295)	(15,056,765)
Purchases of intangible assets	(418,808)	(261,046)
Purchases of land lease rights	(86,729)	-
Proceeds from sales of property, plant and equipment	687,757	288,096
Purchases of inventories intended for construction	(1,660,923)	(1,741,948)
Purchases of investments in third parties	-	(8,500,000)
Proceeds from cash withdrawals from deposits	-	4,623,323
Deposits placed with banks	-	(2,012,991)
Purchases of associates	(92,712)	(78,150)
Purchases of bonds with maturity over three months	(197,523)	-
Proceeds from sales of bonds with maturity over three months	-	2,314,831
Redemption of promissory notes	-	100,000
Purchases of loan issued	(13,829)	(372,899)
Loans repaid	1,012,854	1,864,061
Movement in restricted cash	(143,454)	(6,241)
Interest received	4,808,803	4,820,116
Dividends received	560,568	-
Proceeds from sale of assets held for sale	-	408,839
Proceeds from sale of subsidiaries, net of cash disposed	-	478,710
Proceeds from sales of other investments	65,938	145,000
<b>Net cash used in investing activities</b>	<b>(7,883,353)</b>	<b>(12,987,064)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	77,932,773	91,687,403
Repayment of borrowings	(65,389,365)	(91,118,861)
Interest and other finance cost paid	(4,196,451)	(5,024,201)
Purchases of non-controlling interest	-	(600)
Dividends paid to owners of ROS AGRO PLC	(5,134,426)	(5,046,515)
Proceeds from government grants	2,192,483	2,086,446
Repayment of lease liabilities-principal	(123,044)	(235,859)
Other financial activities	-	(10,998)
<b>Net cash from/(used in) financing activities</b>	<b>5,281,970</b>	<b>(7,663,185)</b>
Effect of exchange rate changes on cash and cash equivalents	180,386	(72,433)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>9,696,019</b>	<b>442,383</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>2,170,779</b>	<b>1,728,396</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>11,866,798</b>	<b>2,170,779</b>

## SEGMENT INFORMATION FOR THE REPORTABLE SEGMENTS' ADJUSTED EBITDA FOR THE YEARS ENDED 31 DECEMBER 2020

2020	Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total
Sales	28,112,519	32,434,214	34,347,506	76,160,418	4,406,702	(16,490,324)	158,971,035
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(681,302)	3,582,520	-	-	2,989,229	5,890,447
Cost of sales	(21,238,160)	(27,375,635)	(19,059,850)	(61,382,829)	(3,854,140)	11,777,956	(121,132,658)
incl. Depreciation and amortisation	(2,605,853)	(3,716,132)	(2,861,216)	(536,301)	(17,164)	(75,387)	(9,812,053)
Net gain from trading derivatives	10,552	-	-	-	-	-	10,552
<b>Gross profit</b>	<b>6,884,911</b>	<b>4,377,277</b>	<b>18,870,176</b>	<b>14,777,589</b>	<b>552,562</b>	<b>(1,723,139)</b>	<b>43,739,376</b>
Distribution and Selling, General and administrative expenses	(3,399,788)	(2,713,324)	(3,732,770)	(6,313,621)	(2,121,408)	1,142,621	(17,138,290)
incl. Depreciation and amortisation	(83,738)	(218,146)	(386,864)	(181,013)	(187,619)	75,387	(981,993)
Other operating income/(expenses), net	602,466	653,934	459,868	(256,767)	15,305,841	(14,472,325)	2,293,017
incl. Reimbursement of operating costs (government grants)	179,564	104,836	299,020	347,210	-	-	930,630
Incl. Non-recurring other operating adjustment)	425,102	459,983	71,372	(463,483)	15,257,311	(13,936,656)	1,813,629
Provision for impairment of loans issued	-	-	-	-	(5,070,598)	-	(5,070,598)
<b>Operating profit</b>	<b>4,087,589</b>	<b>2,317,887</b>	<b>15,597,274</b>	<b>8,207,201</b>	<b>8,666,397</b>	<b>(15,052,843)</b>	<b>23,823,505</b>
<b>ADJUSTMENTS:</b>							
Depreciation included in Operating Profit	2,689,591	3,934,278	3,248,080	717,314	204,783	-	10,794,046
Non-recurring other operating adjustment	(425,102)	(459,983)	(71,372)	463,483	(15,257,311)	13,936,656	(1,813,629)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	681,302	(3,582,520)	-	-	(2,989,229)	(5,890,447)
Provision for impairment of loans issued	-	-	-	-	5,070,598	-	5,070,598
<b>ADJUSTED EBITDA*</b>	<b>6,352,078</b>	<b>6,473,484</b>	<b>15,191,462</b>	<b>9,387,998</b>	<b>(1,315,533)</b>	<b>(4,105,416)</b>	<b>31,984,073</b>

- Agriculture Business
- Oil and Fats Business
- Meat Business
- Sugar Business
- Dairy Products Business

## SEGMENT INFORMATION FOR THE REPORTABLE SEGMENTS' ADJUSTED EBITDA FOR THE YEARS ENDED 31 DECEMBER 2019

2019	Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total
Sales	31,194,715	25,833,637	25,844,693	62,375,087	4,164,293	(11,240,001)	138,172,424
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(852,455)	(1,559,526)	-	-	(1,699,966)	(4,111,947)
Cost of sales	(25,758,275)	(21,717,486)	(18,583,596)	(53,461,301)	(3,640,734)	12,690,429	(110,470,963)
incl. Depreciation and amortisation	(1,925,029)	(2,696,297)	(2,462,063)	(472,629)	(12,507)	(70,938)	(7,639,463)
Net (loss) from trading derivatives	(7,342)	-	-	-	(6)	-	(7,348)
<b>Gross profit</b>	<b>5,429,098</b>	<b>3,263,696</b>	<b>5,701,571</b>	<b>8,913,786</b>	<b>523,553</b>	<b>(249,538)</b>	<b>23,582,166</b>
Distribution and Selling, General and administrative expenses	(3,516,890)	(2,135,635)	(4,168,971)	(6,011,841)	(1,606,311)	909,864	(16,529,784)
incl. Depreciation and amortisation	(74,134)	(183,169)	(437,344)	(141,980)	(74,800)	70,938	(840,489)
Other operating income/(expenses), net	544,406	326,251	(95,492)	(452,519)	14,973,889	(13,369,849)	1,926,686
incl. Reimbursement of operating costs (government grants)	71,290	56,562	130,623	141,791	-	-	400,266
incl. Non-recurring other operating adjustment	467,932	366,207	(17,158)	(321,376)	15,073,831	(13,369,849)	2,199,587
<b>Operating profit</b>	<b>2,456,614</b>	<b>1,454,312</b>	<b>1,437,108</b>	<b>2,449,426</b>	<b>13,891,131</b>	<b>(12,709,523)</b>	<b>8,979,068</b>
<b>ADJUSTMENTS:</b>							
Depreciation included in Operating Profit	1,999,163	2,879,466	2,899,407	614,609	87,307	-	8,479,952
Non-recurring other operating adjustment (Note 23)	(467,932)	(366,207)	17,158	321,376	(15,073,831)	13,369,849	(2,199,587)
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	852,455	1,559,526	-	-	1,699,966	4,111,947
<b>ADJUSTED EBITDA*</b>	<b>3,987,845</b>	<b>4,820,026</b>	<b>5,913,199</b>	<b>3,385,411</b>	<b>(1,095,393)</b>	<b>2,360,292</b>	<b>19,371,380</b>



## SHORT-TERM BORROWINGS

	31 December 2020	31 December 2019
Bank loans	32,762,452	14,918,829
Loan received from related parties (Note 27)	-	3,472,349
Loans received from third parties	16,600	710,460
Interest accrued on borrowings from third parties	615	8,624
Current portion of long-term borrowings	18,973,808	12,724,437
<b>TOTAL</b>	<b>51,753,475</b>	<b>31,834,699</b>

All short-term borrowings are at fixed interest rate. The above borrowings are denominated in the following currencies:

	Interest rate	31 December 2020	Interest rate	31 December 2019
Russian Roubles	1.0%-11.14%	51,753,475	1.0%-12.95%	23,854,865
Euro		-	0.7%-0.8%	7,979,834
<b>TOTAL</b>		<b>51,753,475</b>		<b>31,834,699</b>

## LONG-TERM BORROWINGS

	31 December 2020	31 December 2019
Bank loans	82,149,528	78,765,221
Less current portion of long-term borrowings from:		
Bank loans	(18,973,808)	(12,724,437)
<b>Total</b>	<b>63,175,720</b>	<b>66,040,784</b>

The above borrowings are denominated in the following currencies:

	Interest rate	31 December 2020	Interest rate	31 December 2019
Russian Roubles	1.0%-12.5%	63,175,720	1.0%-12.95%	66,040,784
<b>TOTAL</b>		<b>63,175,720</b>		<b>66,040,784</b>

## NET DEBT

	31 December 2020	31 December 2019
Long-term borrowings	63,175,720	66,040,784
Short-term borrowings	51,753,475	31,834,699
Cash and cash equivalents (Note 3)	(11,866,798)	(2,170,779)
Bank deposits within long-term investments (Note 10)	(13,900,000)	(13,900,000)
Long-term bonds held for collect (Note 10)	(19,900,000)	(19,900,000)
Long-term bonds held for trading (Note 10)	(165,129)	(165,222)
Short-term bonds held for collect (Note 4)	(197,523)	-
<b>NET DEBT<sup>1</sup></b>	<b>68,899,745</b>	<b>61,739,482</b>
including long-term Net debt	29,210,591	32,075,562
including short-term Net debt	39,689,154	29,663,920
<b>ADJUSTED EBITDA<sup>1</sup> (NOTE 29)</b>	<b>31,984,073</b>	<b>19,371,380</b>
<b>NET DEBT/ ADJUSTED EBITDA<sup>1</sup></b>	<b>2,15</b>	<b>3,19</b>

<sup>1</sup> Not an IFRS measure