

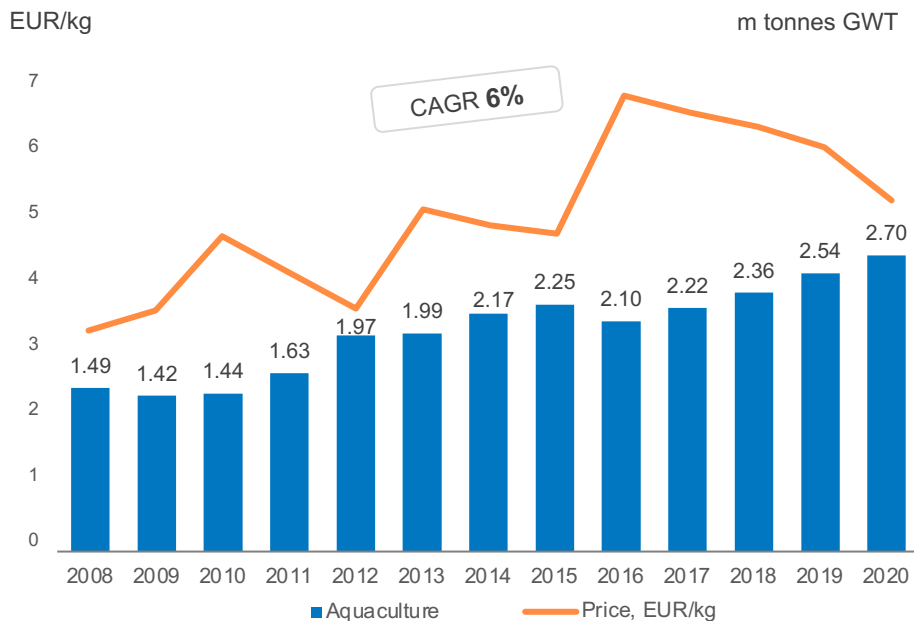


**Russian  
Aquaculture**

# **Russian Aquaculture 1Q 2021 IFRS Financial Results**

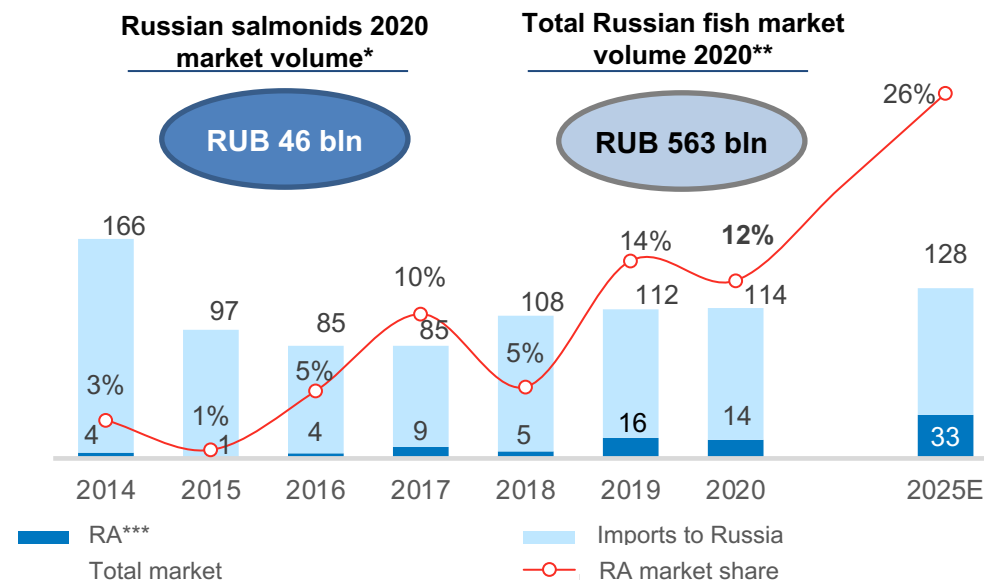
**15 June 2021**

## Global production of salmonids and price dynamics



## Outlook for salmon market in Russia









HOG ktonnes, Company's share of the Russian market (%)



\*Company estimate  
 \*\*According to the Strategy for Development of the Russian Fishing Industry until 2030 (Government Order No 2798-p of 26.11.2019)  
 \*\*\* Russian Aquaculture sales volume of salmon and sea trout (Murmansk), GWT

## Highlights

- The global supply of salmonid aquaculture continues to demonstrate growth: CAGR of 6% in 2008-2020.
- Global prices for salmonids demonstrate a long-term growth trend.
- The Russian market is characterised by a high level of salmonid consumption. The Company's market share has slightly decreased due to unseasonably cold seawater temperatures in 1H 2020; however, the 2025 market share forecast remains almost unchanged at 26% (vs. 27% estimated previously).
- While the global salmon market is forecast to slow to CAGR of 4% in 2020-2024E, markets such as Russia, Ireland, and Iceland are expected to show impressive growth at a CAGR of 13% for the same period.

-  **Increased production volumes.** Harvest volume and sales of finished product increased by 26% and 28% year-on-year, respectively.
-  **New fish farming areas.** In January 2021, the Company signed an agreement for the use of a fish farming area in Pitkov Bay with a capacity of up to 10,000 tonnes per cycle. The Company won an auction in April and signed an agreement in May for a site in Kislaya Bay with a capacity of 7,000-10,000 tonnes per cycle.
-  **Ownership stake in processing plant increased to 100%.** In May 2021, the Company exercised its options as part of agreements concluded in 2020 and acquired a 60% stake in Murmanrybprom LLC and Tri Ruchya LLC, bringing its ownership stake in its processing plant to 100%. The acquisition of this 60% stake cost RUB 355 mln.
-  **Improved structure and duration of debt portfolio.** In March 2021, the Company successfully placed three-year bonds totaling RUB 3 bln with an annual coupon rate of 9.5%. The coupon is paid every six months, and the maturity date is 6 March 2024.
-  **High level of financial stability.** Net debt decreased by 13% from 31 December 2020; net debt / adj. EBITDA was 1.6x.
-  **Dividends.** Based on the Company's 2020 and 1Q 2021 results, the Board of Directors recommended distributing net profit and paying dividends in the amount of RUB 791 million, or RUB 9 per ordinary share.
-  **ESG progress.** In April, the Company's processing plant underwent a successful audit for compliance with international MSC and ASC standards. The MSC standard provides for the conservation of the marine environment, the sustainability of fish stocks, and the efficient and sustainable management of fisheries, while the ASC standard aims to ensure the sustainable development of the aquaculture industry and a controlled impact on ecosystems. The Company also received a certificate of compliance with halal standards.
-  **Expansion of the Board of Directors and arrival of new independent directors.** Nine candidates were nominated to the Company's Board of Directors, including six independent candidates (five of whom are new to the Company).

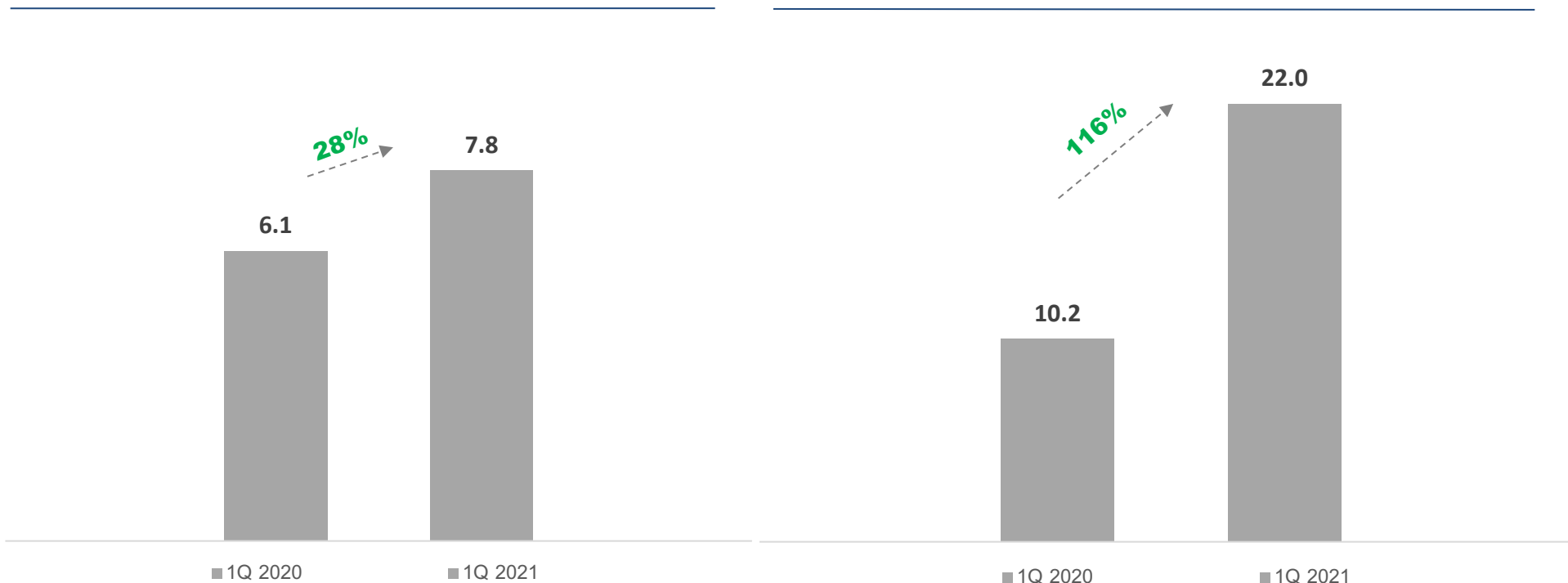
Operating performance, tonnes	3 months, ended 31 March		Change
	2021	2020	
<b>Sales volume</b>	7,800	6,100	28%
<b>Biomass, end of period</b>	22,000	10,200	116%
Financial performance, RUB mln			
<b>Revenue</b>	3,852	3,439	12%
<b>Gross profit before revaluation of biological assets</b>	1,512	1,481	2%
<b>Gross profit after revaluation of biological assets</b>	376	(182)	-
<b>Net loss</b>	(82)	(335)	-
<b>Adjusted EBITDA</b>	1,488	1,606	(7%)
<b>Adjusted EBITDA margin</b>	39%	46%	(8 p.p.)
<b>Operating EBIT</b>	1 265	1 425	(11%)
<b>Operating EBIT, EUR/kg</b>	1,8	3,2	(43%)
<b>Net operating cash flow</b>	2,178	1,781	22%
Financial position, RUB mln			
<b>Net debt</b>	5,321	6,094	(13%)
<b>Net debt/12M adj. EBITDA, x</b>	1.6x	1.8x	(10%)



# Operating performance for 1Q 2021

## Sales volume, ktonnes

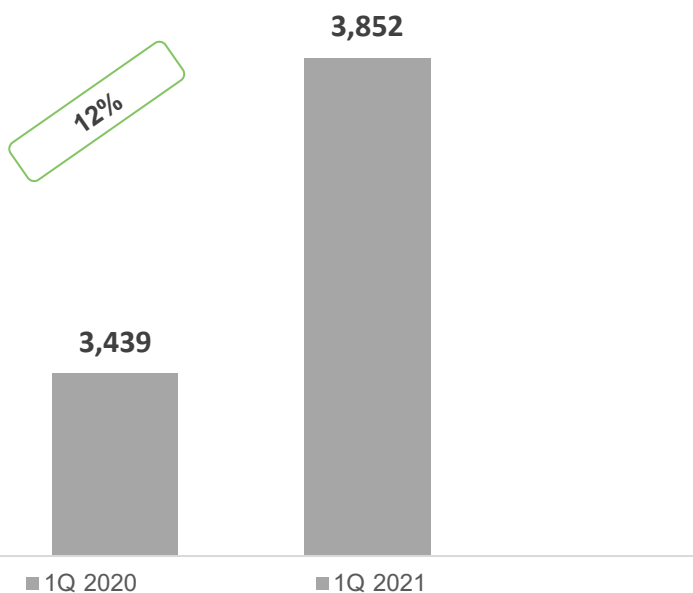
## Biomass, end of period, ktonnes (IFRS)



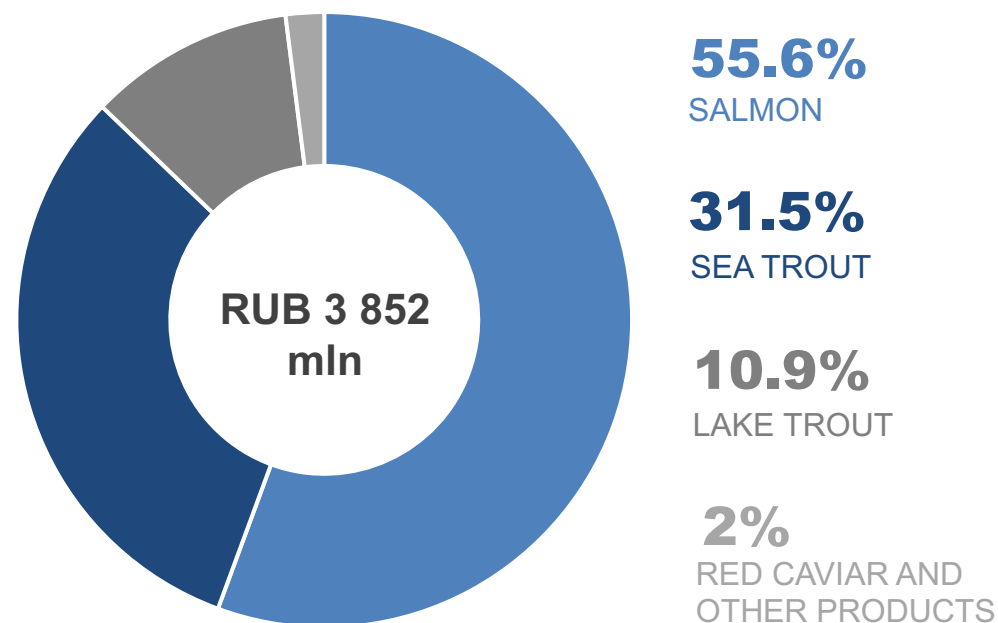
### Highlights

- In Q1 2021, the Company significantly increased its harvest volume and sales of finished products, while the market showed stable growth in demand.

Revenue, RUB mln



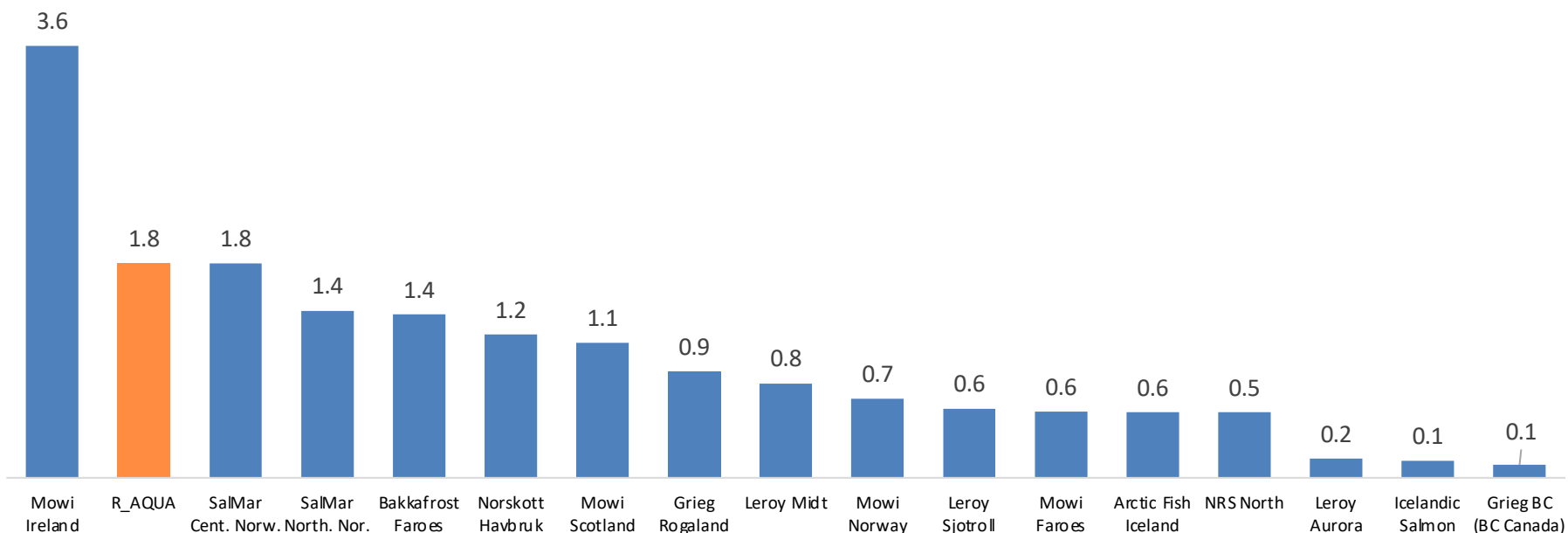
Revenue structure, 1Q 2021



## Highlights

- In 1Q 2021, revenue increased by 12% and totalled RUB 3.9 bln from RUB 3.4 bln in 1Q 2020. Revenue growth was due to increased sales volumes. Average sales prices decreased compared to 1Q 2020, predominantly due to the high base effect in 2020 and a decline in the superior-category products in the sales structure in 1Q 2021.

# Operating EBIT benchmarking, EUR / kg (1Q 2021) \*

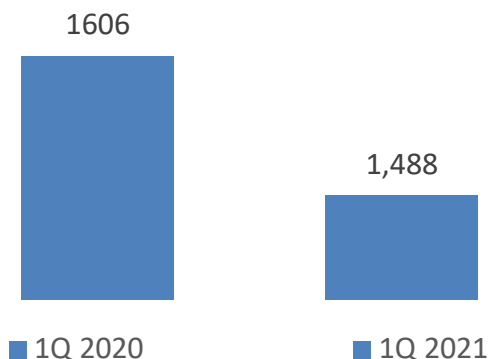


## Highlights

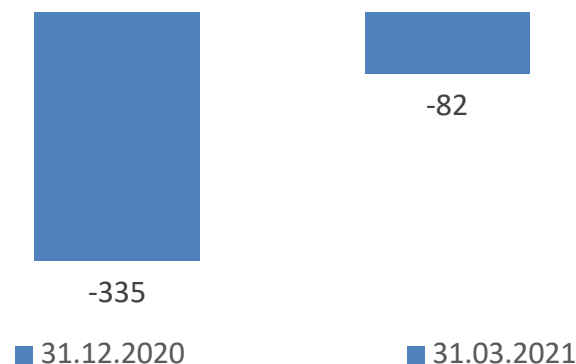
- In 1Q 2021, Russian Aquaculture remained one of the most efficient aquaculture companies in the world with an operating EBIT / kg of 160 (RUB) or 1.8 (EUR).

# EBITDA and net profit analysis, debt overview for 1Q 2021

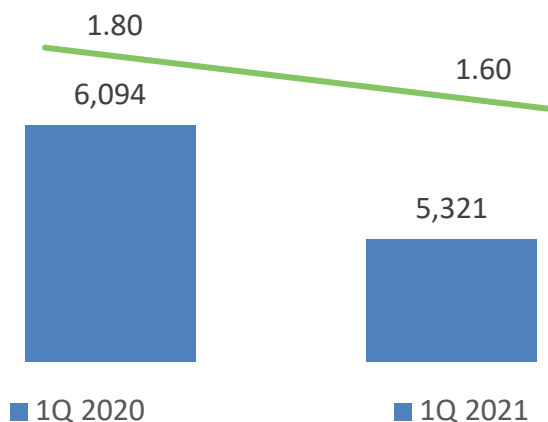
## Adjusted EBITDA, RUB mln



## Net loss, RUB mln



## Net debt (RUB mln) and Net debt/ Adjusted EBITDA



## Highlights

- Adjusted EBITDA was down 7% year-on-year, totalling RUB 1.5 bln compared to 1.6 bln in 1Q 2020.
- The Company's net loss in 1Q 2021 is due to business seasonality and the lack of active biomass growth in winter.
- Debt remains at a comfortable level, and the bond issue in March has improved the structure and duration of the portfolio.





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