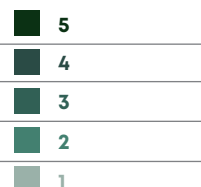


RISK MANAGEMENT

Rusagro allocates considerable resources to identification, analysis, and assessment of risks during business decision-making. The Company has been committed to observing the national and international standards in risk management: its going concern has been to monitor the risks and to update its risk management toolkit in order to maximise the Company's value and mitigate the potential negative impact of risks if realised. The Company identifies seven main types of risks having the greatest impact on the business performance. The 2020 assessment also covered the impact of the COVID-19 pandemic on the Company's results.

Risk significance (score from 1 to 5)



KEY RISKS

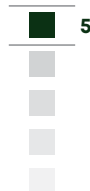
Risk description	Risk mitigation
------------------	-----------------

POLITICAL RISKS

CHANGES IN STATE POLICY RELATING TO PRICE CONTROL, AS WELL AS EXPORT-IMPORT AND TAX REGULATION

Changes in the state policy as pertaining to control over prices for products sold by Rusagro, as well as to export-import and tax regulation, may exert negative influence on the Company's performance. Thus, touching the price ceiling and introducing tariffs and quotas for the export of agro-food products impedes the ability to maximise revenue, and higher taxes translate into lower net profit.

- The Company monitors any changes in the state policy and responds to them by the respective adaptation of Rusagro's strategy.
- The Company takes a proactive position and negotiates with government officials, whenever possible, the introduction of restrictive measures and their impact on business.

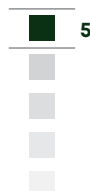


MARKET RISKS

PRICE DECLINES FOR PRODUCTS

The Company's financial results depend on the prices of sugar, pork, agricultural products, vegetable oils, and products made from them. The level of prices is driven by several factors that the Company cannot fully control. The key reasons that may cause a decline in prices include as follows: Higher competitive supply or competitive struggle; A decline in household purchasing power; Drop in global prices.

- Diversifying the Company's product portfolio by extending the product range and developing retail brands;
- Developing the sales channels, signing contracts with major industrial partners and retail chains;
- Developing exports and entering new markets;
- Maintaining ample stocks of finished products intended for sale during seasonal price hikes;
- Continuous monitoring of the market situation to get a full and accurate picture of the trends and to ensure a reliable basis for projections on the market dynamics.

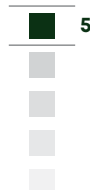


OPERATIONAL RISKS

DECREASED SALES AS A RESULT OF LOWER YIELDS DUE TO CLIMATIC VARIATIONS AND WEATHER ANOMALIES

Extreme weather, such as drought, frost, excessive moisture, strong winds, hail, damping-off, may lead to reduced yield, which affects the revenue of the Agriculture, Meat, Sugar, and Oil and Fats Businesses.

- Comprehensive approach to weather forecasting based on the data obtained from weather stations;
- Monitoring of the crops on a regular basis;
- Digitalisation of strategic planning and operational processes in the Agriculture Business;
- Automated generation of the optimum schedule for sugar beet digging, piling, and delivery, as well as the schedule for harvesting and delivery of grains and pulses;
- Automated control of the process execution quality;
- Development of the irrigation systems;
- Selection of the best hybrids and pedigree seeds depending on climatic zones.



Risk description	Risk mitigation
LIVESTOCK AND PLANT DISEASES	
<p>Climatic changes and evolution bring new dangerous diseases of the livestock and plants that can adversely affect the production results of the Agriculture, Sugar, Meat Businesses of the Company. The most hazardous diseases are sugar beet diseases, pests, highly dangerous virus and infectious diseases of pigs, such as ASF, porcine reproductive and respiratory syndrome, swine foot-and-mouth disease, and atypical pneumonia.</p>	<ul style="list-style-type: none"> ■ Monitoring the transport, goods and materials flow, their disinfection; ■ Preventing physical contact of the pigs at farms with wild animals; ■ Monitoring the health of pigs grown at the Company's production facilities; ■ Monitoring the ASF incidents in Russia; ■ Pest control through the treatment of plants and seeds with insecticides and fungicides. <div style="text-align: right;"> </div>
EPIDEMICS AND PANDEMICS	
<p>The emergence of epidemics and pandemics in Russia (in particular COVID-19) may have a negative impact on the Company's profit on the back of restrictions on the business activities of the Company and its counterparties. In particular, there are risks of shutdown of plants, loss of productivity when switching to remote work, delays in the execution and implementation of commercial contracts, freezing of construction and repair activities.</p>	<ul style="list-style-type: none"> ■ Creating a prompt response headquarters to develop anti-crisis measures and control of their implementation; ■ Restricting the movement of employees between the offices and production sites of the Company, as well as business trips to other regions and countries; ■ Distributing additional personal protective equipment and antiseptics, taking extra disinfection measures; ■ Conducting a comprehensive communication programme to inform employees, launching special hot lines for employees; ■ Supporting employees with regular testing and vaccinations. <div style="text-align: right;"> </div>
PROCESS-RELATED ERRORS	
<p>Human errors in the planning and implementation of technological operations can have negative consequences on production results and production costs. Agronomic errors are detrimental to the results of the Agriculture and Sugar businesses, and failure to comply with the technology at a meat processing plant adversely affects the Meat Business.</p>	<ul style="list-style-type: none"> ■ Control and improvement of the quality of personnel management, including through the development of effective motivation systems; ■ Development of standards, regulations and instructions on technological operations and their enforcement; ■ Automation and digitalisation of planning processes, management of production activities. <div style="text-align: right;"> </div>
LOSSES DUE TO THE APPRECIATION OF THE MEAT BUSINESS PROJECT IN THE PRIMORYE TERRITORY AND ITS DELAYED LAUNCH	
<p>The risk of appreciation of the pig-breeding farm project in the Primorye Territory is associated with the remoteness of the construction area from industrial centres, absence of skilled engineering personnel and workforce in this region, and also weather conditions. It can lead to a rise in prices and longer delivery of construction materials, cash deficiency due to untimely submission of supporting construction documents, additional costs for the protection from excessive precipitations and typhoon consequences.</p>	<ul style="list-style-type: none"> ■ The Company scheduled and is currently implementing the measures to protect its lands against natural phenomena common for the Primorye Territory, including the construction of additional systems for surface water collection and drainage; ■ The construction contract involved large-scale companies with own logistics network both in Russia and abroad, own engineering and operation personnel. This leads to increased costs of projects but helps to mitigate the risk of longer construction period. <div style="text-align: right;"> </div>

¹ The launch of the project in 2021 reduced the risk