

GROWTH STRATEGY

The strategic business goal of Rusagro is to increase returns for shareholders while adhering to the mission *Let's Make people's lives better and longer*. In the furtherance of this goal, the Board of Directors approved the *From Field To Market* strategic concept in 2008, the implementation of which is based on the Company's vertically integrated business model of food production.

The strategy of the Company and its business units covers a period of five years and is annually reviewed by the Board of Directors, to redirect the efforts, if required, in order to address the changes in the external environment and to effectively manage financial and human resources. The success of the Company's strategy rests upon a careful selection of long-term priorities and the exceptional quality of the investment process that ensures a high return on equity.

In 2021, Rusagro decided to develop a Sustainable Development Strategy, which aims towards maintaining stable growth, adding more value for all stakeholders and enhancing the transparency of non-financial information about the Company's activities. After considering the results obtained, Rusagro plans to extend the list of its strategic priorities and adapt the corporate governance system for their successful implementation.

INVESTMENTS

In 2020, Rusagro invested RUB 14.1 billion in achieving the desired goals – for projects to maintain existing assets and to develop them. The volume of investments decreased by 16% due to the completion of some of the Company's major projects. Most of the funds (62%, or RUB 8.8 billion) in the reporting period were absorbed by the Meat Business, where new pig farms were launched, the productivity of the meat processing plant was expanded, and the construction of a cluster in the Primorye Territory was underway. Rusagro invested 11% of the budget (RUB 1.5 billion) in the Sugar Business – the funds were used to complete the construction of the second desugarisation facility. In order to optimise distribution of existing capacities between assets and develop new directions, the Company increased its financial input into the Oil and Fats Business – from RUB 0.5 to 1.6 billion in the reporting period.

In 2021, the Company plans to allocate funds for the implementation of a pig-breeding project in the Primorye Territory, information technology projects, and project for the modernisation of production and storage facilities.

Rusagro's capital investments, RUB bn

Business	2016	2017	2018	2019	2020
Meat	8.1	6.3	9.4	10.9	8.8
Agriculture	5.1	6.2	2.0	2.0	2.0
Oil and Fats	1.0	1.6	1.2	0.5	1.6
Sugar	2.5	3.4	3.1	3.4	1.5
Total	16.7	17.5	15.7	16.8	14.1 (↓-16%)

MISSION OF THE COMPANY: LET'S MAKE PEOPLE'S LIVES LONGER AND BETTER

THE PRIORITIES:

- Expanding business
- Improving human capital assets
- Reducing costs and increasing productivity through automation
- Developing retail products and own brands