

PRIORITIES OF RUSAGRO'S GROWTH STRATEGY

Rusagro's strategy is a classified document and its targets are exempt from public disclosure, as this entails significant risks and may prejudice the Company's success. For the demonstration of the Company's success in implementing key priorities, the Annual Report contains an assessment of the results for a five-year strategic planning period.

1.

Business expansion

Rusagro strives to ramp up the production and expand its regional presence across all four business segments in order to maintain the market leadership. The ways of achieving this goal are as follows:

- Organic growth – building new production facilities, expanding the land bank, modernising and expanding the existing assets;
- Inorganic growth – acquiring additional companies and assets, in particular in previously unexplored business areas;
- Increasing the share in the current regions of presence and expanding to new regions of Russia and to new countries through the development of exports.

2.

An increase in the sales of retail products and brands

Pursuant to its *Field to shelf* concept, Rusagro strives to develop its retail products taking the following measures:

- Increasing the depth of product processing;
- Expanding the product mix;
- Increasing representation in retail channels;
- Developing private brands and promoting them on the consumer market.

3.

Automation and innovation

In an era of technological revolution, the development and introduction of innovative solutions in IT, automation, and biotechnologies are becoming increasingly important in terms of their potential for cost reduction, product quality improvement, and additional revenue generation. The key areas of the Company's activities related to this strategic priority include as follows:

- Introducing the precision farming technologies;
- Developing the automation of production and operating processes;
- Using advanced selection methods in crop and livestock farming, with a focus on sugar beet and pigs.

4.

Development of human capital

Development of human capital is a key for ensuring the Company's sustainable growth. To achieve this goal, the following measures are taken:

- Comprehensive assessment of the strategically important personnel to generate individual development plans;
- Regular assessment of human capital development progress using the personnel quality index and personnel efficiency index;
- Creation of a talent pool of young professionals, in particular, by offering internal training and building a strong employer brand;
- Automation of HR processes.