

STRATEGIC RESULTS

BUSINESS EXPANSION

The share of land owned by the Company over five years

Sunflower oil production in 2020

AGRICULTURE BUSINESS

↑ 6 p.p.

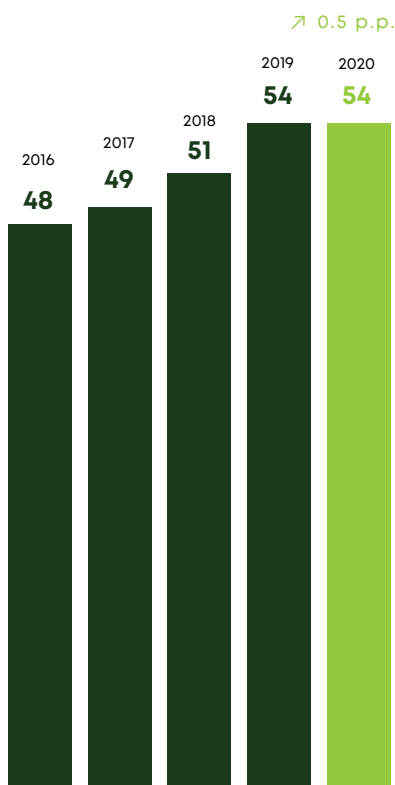
OIL AND FATS BUSINESS

No. 1

In 2016, Rusagro hit a record high in farming land area – 665 thousand hectares (+161 thousand hectares compared to 2015) – and over the past five years, the key moves within business expansion priority involved the preservation of efficient arable land, reduction of uncultivable land and increase in area owned. According to the results of 2020, arable land accounted for 88% of Rusagro's land bank vs 83% in 2016. The share of land owned by the Company has grown by 6 p.p. over five years and amounted to 54%.

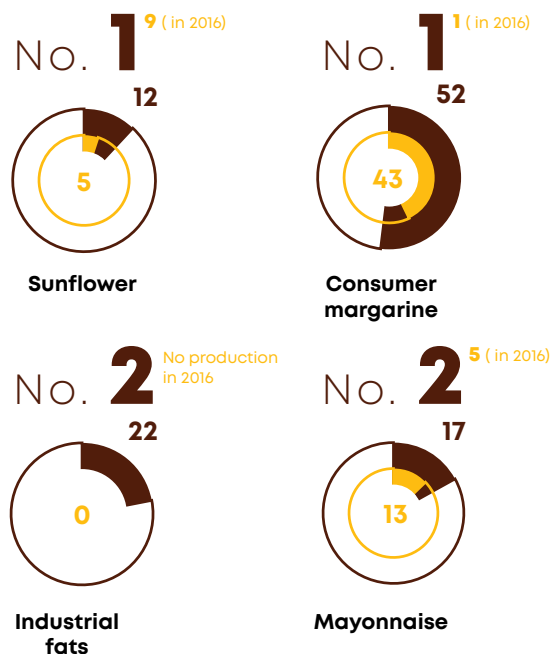
Rusagro has had a drastic shift of its ground among the producers of fat and oil products in Russia over the past five years. Thus, in 2016 it ranked only ninth among sunflower oil producers and fifth – among mayonnaise producers. In an effort to strengthen its position, Rusagro delivered on industrial fats production projects in 2017 and in late 2018. Rusagro agreed on a tolling scheme and subsequent lease of plants belonging to the Solnechnye Products holding. This resulted in a notable progress of the Company in improving its position in 2020. According to open data estimates, Rusagro became the largest producer of sunflower oil in Russia, the second largest producer of mayonnaise and industrial fats, and its share in margarine production has grown to 52%.

Legal structure of Rusagro's land bank, %



Production in Russia, %

● 2016 ● 2020



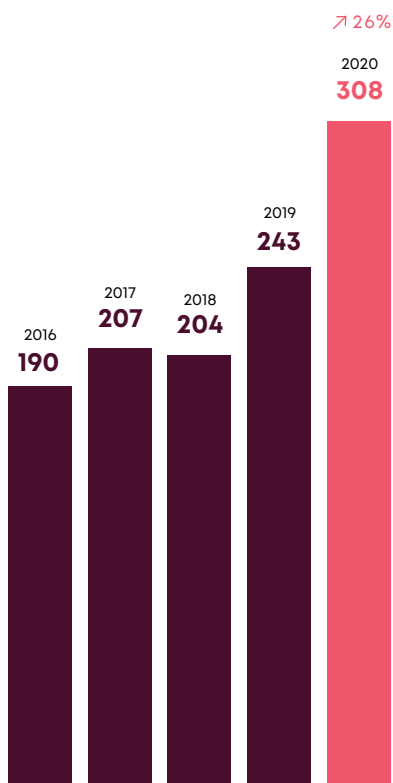
- Agriculture Business
- Oil and Fats Business
- Meat Business
- Sugar Business
- Dairy Products Business

Pork production over five years



In an attempt to maintain a share in the growing market and lay the groundwork for the development of pig products exports, Rusagro invested in the expansion of pork production during 2016–2020. In 2018, a deal was closed to acquire assets in the Belgorod Region, and in 2019, three new pig farms were launched in the Tambov Region, boosting the production of pork in live weight by 62% – from 190 thousand to 308 thousand tonnes, the production of compound feed – by 48% – from 598 to 886 thousand tonnes, and slaughtering capacity – by 21% – to 545 heads per hour. On the top of that, the Company did a project to improve the productivity of the meat processing plant in 2019–2020, increasing the productivity of the slaughterhouse and deboning workshop.

Rusagro's pork production, ths tonnes in live weight



Molasses processing capacity production over five years



Having increased the daily sugar beet processing capacity in 2016 from 34.6 to 50.2 thousand tonnes through the acquisition of three sugar plants from Razgulay company and having further ramped up this capacity to 53.9 thousand tonnes in 2018 through upgrade and modernisation of the plants, Rusagro concentrated its efforts on reducing sugar losses through additional processing of by-products – molasses.

The first desugarisation facility with an annual molasses processing capacity of 100 thousand tonnes was launched in the Tambov Region in late 2016. The second desugarisation facility was opened in the Belgorod Region at the end of 2019, which led to total processing capacity increase to 300 thousand tonnes. With these two facilities, now the Company can send the whole amount of molasses to deep processing, thus additionally receiving about 100 thousand tonnes of sugar and 30 thousand tonnes of betaine per year.

Molasses processing capacity of Rusagro, ths tonnes

