

ANALYSIS OF THE STRATEGY'S RESULTS

Business expansion

Results of the Strategy for 2019–2024

Meat Business

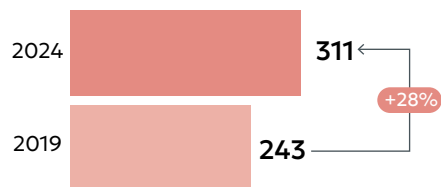


Rusagro Group made investments to increase pork production in the Central Federal District and finish building a vertically integrated cluster in Primorsky Territory in an attempt to hold onto its market share in the gaining market and foster the growth of pork product exports to various destinations.

Last year, the plan to penetrate the Chinese pork industry came to fruition. In early 2024, the Tambovsky Bacon cluster received a licence to export pork products to the PRC.

The second, but no less significant event in 2024 was the consolidation of 100% of shares and control of Agro-Belogorie Group, which allowed us to expand production capacity and become the second largest pork producer in Russia.

Pork production, Rusagro Group, ths tonnes



Pork production, Agro-Belogorie, ths tonnes



Agriculture Business

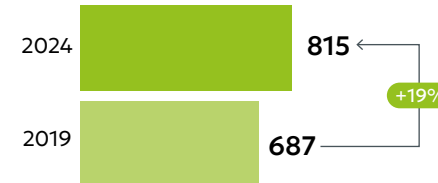


In the past few years, Rusagro Group has concentrated on cutting expenses, streamlining logistics, and enhancing the overall effectiveness of the agricultural segment while also recognising the potential for non-organic growth.

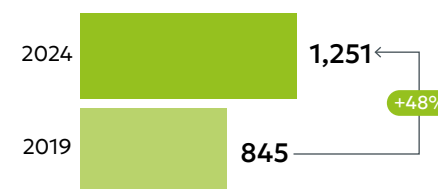
In October 2023, we sealed a deal to acquire 100% of shares and control over the elevator of Biotekhnologii JSC in the Tambov Region, which increased the volume of simultaneous storage of grain by 240 thousand tonnes.

In 2024, the agricultural machinery fleet was substantially renewed, and Rusagro Group's land holding reached a record 815 thousand hectares thanks to land acquisitions and the consolidation of a 100% ownership and control over Agro-Belogorie.

Land area under Rusagro's management, ths ha



Simultaneous grain storage capacity, ths tonnes



Results of the Strategy for 2019–2024

Combined Oil and Fats Business

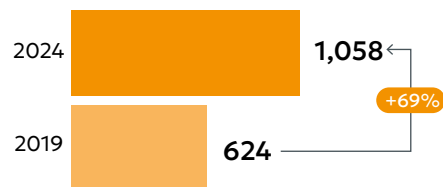
Over the past five years, Rusagro Group has significantly expanded its oil and fats production capacity, becoming a leader in the Russian market.

In 2023, the Company completed the acquisition of a 50% stake in and control over NMGK Group, a leading producer of oil and fat products.

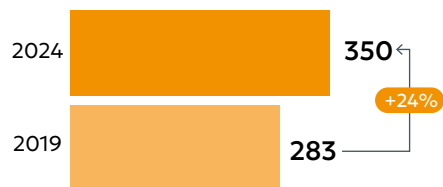
The upgrade of the Balakovo oil extraction plant at the end of 2023 boosted its daily processing capacity by 33% to 2,400 tonnes of raw materials, while also lowering downtime and enhancing operational efficiency. All these combined marked the significant increase in output seen in 2024.

The upgrade of the Atkarsky oil extraction plant, which started in 2024, is underway and will eventually raise processing capacity to 2,400 tonnes of oilseeds per day (+56%). The completion of the project is scheduled for 2025.

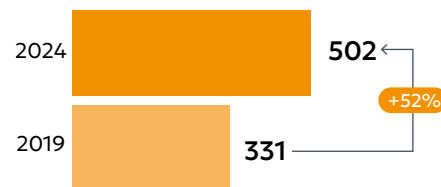
Production of vegetable oil, ths tonnes



Production of industrial fats, ths tonnes



Production of consumer oil and fat products, ths tonnes

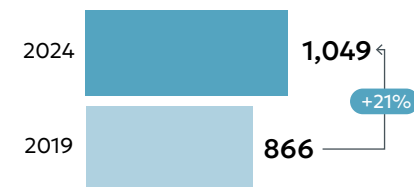


Sugar Business

Over the past five years, Rusagro Group has focused on increasing sugar production volumes.

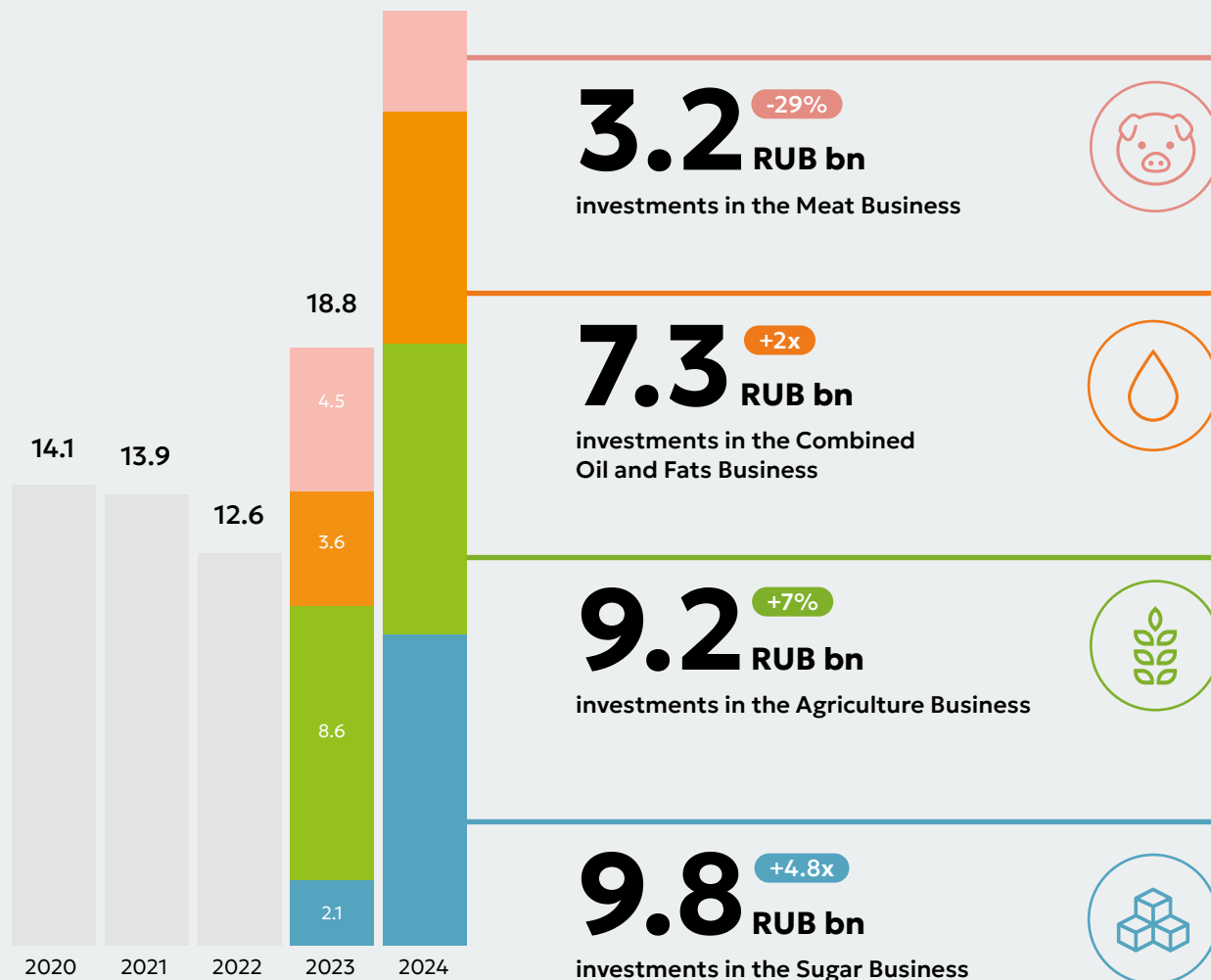
In 2019, a molasses desugarisation plant was commissioned, enabling the production of additional sugar from the by-product remaining after sugar beet processing. A large-scale investment programme in 2024 involved the construction of long-term beet storage systems, which will enable Rusagro Group to increase the number of days of sugar beet processing and thereby boost sugar output.

Production of sugar, ths tonnes



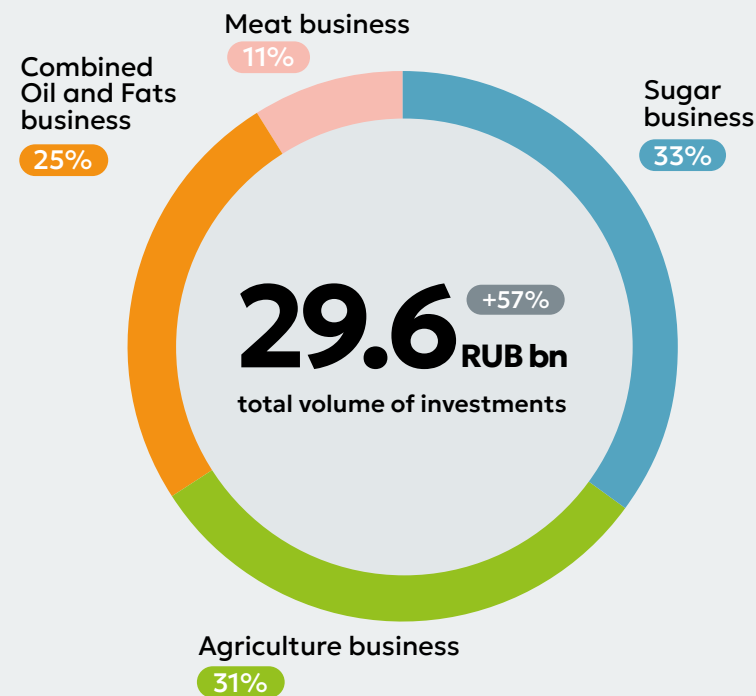
Investment programme

Rusagro Group's capital investments, RUB bn



While delivering its strategy, Rusagro Group invested a record RUB 28.7 billion in development and maintenance projects, 56% more than a year earlier. In 2025, the Company intends to move intensively forward with its investment strategy and expand both organically and through mergers and acquisitions (M&As).

Rusagro Group capital investment by business in 2024



Sugar Business



In 2024, Rusagro Group invested a record RUB 9.5 billion in the development and maintenance of its Sugar Business, almost five times the previous year's level. The bulk of the investment was used to install long-term piled storage systems for beet at nine of the Company's sugar factories, which will extend the sugar beet processing season for Rusagro Group and drive up production volumes, as well as the financial results of the business.

For more details on investment projects in Rusagro Group's Sugar Business, see the Investment section of this segment, [p. 107](#)

Agriculture Business



In 2024, Rusagro Group invested a RUB 8.9 billion in the development and maintenance of its Agriculture segment, up 6% year-on-year. The majority of investment was channelled into renewing the fleet of grain and beet harvesters with new models with higher productivity and enhanced process support, which are required for the execution of innovative projects in conjunction with Rusagro Tech, in particular Autopilot 3.0.

For more details on investment projects in Rusagro Group's Agriculture Business, see the Investment section of this segment, [p. 62](#)

Combined Oil and Fats Business



In 2024, Rusagro invested a RUB 7.1 billion in the development and maintenance of its Combined Oil and Fats Business, twice the level of the previous year. The bulk of the investment was spent on capacity expansion and upgrading of the Atkarsky oil extraction plant, which will boost its processing capacity by 56% to 2,400 tonnes of oilseeds per day, with completion of the project scheduled for the end of 2025.

For more details on investment projects in Rusagro's Combined Oil and Fats Business, see the Investment section of this segment, [p. 87](#)

Meat Business



In 2024, Rusagro Group invested RUB 3.1 billion in developing and maintaining its Meat Business. A major project is underway to expand the capacity of the Primorsky cluster to 75 thousand tonnes per year. Works to expand deboning capacity at the Tambov Region asset were also ongoing in 2024.

For more details on investment projects in Rusagro Group's Meat Business, see the Investment section of this segment, [p. 122](#)

Acquisition of Agro-Belogorie



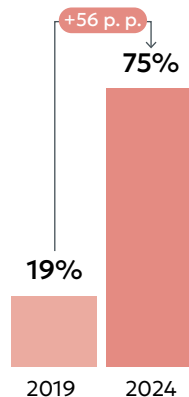
In 2024, Rusagro's Meat Business expanded after acquiring a 100% stake of and control over Agro-Belogorie, whose assets include 20 pig farms, three compound feed mills and one meat processing plant, as well as a land holding of 105 thousand ha in the Belgorod Region. In 2025, Rusagro Group plans to complete its integration with Agro-Belogorie, thus leveraging potential for synergy effects.

Development of retail sales and brands

Meat Business

Following the launch of its own Slovo Myasnika brand at the end of 2016, Rusagro Group has steadily ramped up the production of consumer pork products under this brand, strengthening its recognition and consumer loyalty. 2024 saw a redesign of the brand.

Recognition of the Slovo Myasnika brand in Russia



Position of brands



in the branded semi-finished chilled products category

- СЛОВО-МЯСНИКА

Source: Ntech



Sources: Milward Brown, AC Nielsen

Sugar Business

Rusagro has been a leader in the Russian retail sugar market for many years. The Russkii Sakhar and Chaikofsky brands rank first and second in the Russian white cube sugar market, while Brauni takes first place in the brown cube sugar market. The brands' combined share of the white cube sugar market is 54%, with Brauni taking 32% of the brown cube sugar market.

Position of brands



on the white cube sugar market

Русский сахар



on the white cube sugar market

Чайкофский
для чая и кофе



on the brown cube sugar market

БРАУНИ®



Source: Nielsen

Development of retail sales and brands


Combined Oil and Fats Business


The primary objective of Rusagro Group's Combined Oil and Fats Business is to maintain the brands' leading positions in home regions and to roll out products under the former and new brands.

Position of brands

 on the mayonnaise market ¹



Московский *Саратовский* *Новосибирский*
ПРОВАНСАЛЬ ПРОВАНСАЛЬ ПРОВАНСАЛЬ

 on the mayonnaise market 

 on the consumer margarine market and ghee market **ХОЗЯЮШКА**

 on the mayonnaise market 

 in the mayonnaise-based sauce market 

 on the consumer margarine market 

 on the spread market 

 on the coconut oil market *Delicato*

Source: AC Nielsen

¹ Ya Lublu Gotovit is an umbrella brand that covers products produced both under the Ya Lublu Gotovit brand and its sub-brands.

Digital transformation and innovation

Information technology and innovation

To integrate automation systems and find innovative ways to optimise production processes, a digital transformation strategy has been approved in each business segment of Rusagro Group, forming part of each segment's overall development strategy. For all Company's business segments, the aim of the digital transformation strategy is to increase profits by reducing costs, enhancing risk management, and increasing productivity.

To ensure that strategy milestones are successfully met, all digital projects of business segments were centralised within Rusagro Tech established in 2021. At year-end, Rusagro Tech had 440 employees and was actively developing projects across all business segments of Rusagro Group as well as the Corporate Centre.

A mathematical modelling service was set up in 2023 to support the Company's objectives with regard to working with artificial intelligence and machine learning technologies.



For more details on Rusagro Tech's projects and activities, visit the Company's special website

Rusagro Group's awards and prizes related to digital innovations

ComNews Awards. Best Solutions for the Digital Economy



Best Digital Solution in Agriculture category

In the Best Digital Solution in Agriculture category, the award was given to the Rusagro Field Planning System project, a system for Rusagro Group's Agriculture Business devised by Rusagro Tech and its partner. It helps to carry out agricultural operations within a given timeframe and set priorities for most critical work, which can improve crop yields

Winner of the national Data Award 2024



Category for Business Performance Improvement

Rusagro Tech and its partner won in the Business Performance Improvement category for their project to create an intelligent system that provides recommendations to agronomists on planning various field operations. The Data Award 2024 short-listed 67 companies that presented their innovative projects in different categories

Winner of the Data Fusion 2024 Award



Breakthrough of the Year category

The Strategic Algorithm project of Rusagro Tech won in the Data Fusion section of the Breakthrough of the Year category. The award was given to companies that develop the Data Fusion approach in Russia and optimise their work by processing massive amounts of big data and applying artificial intelligence technologies. The competitive selection was held in four categories

Winner of AgroCode Top 100



Best Digital Service for Agriculture category

Rusagro Tech won in the category for IT services that have made life easier for agribusinesses by improving production efficiency and contributing to the business results of the agro-industrial complex. Rusagro Tech's Strategic Algorithm product became the winner. It helps to determine the optimal crop rotation pattern in the fields in terms of net present value

Rusagro Group's key technology projects in 2024

Group

Implementing a centralised EDMS

Objectives

- Mitigate the risks and consequences of violating local laws and regulations
- Improve the speed of in-process management decision-making
- Reduce costs associated with document management for centralised processes
- Reduce the cost of owning IT solutions for the automation of document management for centralised processes across all business segments
- Consider retiring local business segment EDMS as part of subsequent projects

Progress

TESSA solution selected and implemented

Implementation period

2023–2025

Adopting an HR management system

Objectives

- Reduce the risk of stoppage/disruption of HR processes and increase import independence through the use of a Russian platform
- Maintain the existing approach to the unified master system of HR management
- Improve user experience by increasing solution customisation options

Progress

Mirapolis solution selected and implemented; hyper-support period is underway

Implementation period

2023–2025

Implementing centralised SRM

Objectives

- Improve manageability and reduce transaction costs by automating a single end-to-end seamless procurement process
- Implement automatic consolidation of procurement volumes between business segments
- Implement consolidated reporting for plan-to-actual analysis of the tender decisions across all business segments
- Establish a single software platform to run the Common Service Centre (CSC) for supplier management and procedure-to-pay (P2) processes

Progress

Norbit SRM solution selected and implemented; hyper-support period is underway

Implementation period

2023–2025

Rusagro Group's key technology projects in 2024

Meat Business

Video system to monitor the condition of livestock

Objectives

- Develop a video analytics system and test its precision and performance
- Improve live port production

Outcomes

- Animal count (99% accuracy)
- Detection of animal disease and mortality using thermal imaging (99% accuracy)
- Fasting control, detection of availability/unavailability of feed in feeders (99% accuracy)
- Analysis of comfort zones in holder sheds

Progress

The project was successfully completed. It was decided to further roll out the system to pig farms

Implementation period

2022–2024

Svinofon

Objectives

- Automate production accounting processes
- Enable entry of production accounting data using the mobile app
- Enable prompt receipt of historic data and planned events
- Expand the ability of operators to analyse previous livestock operations and assess physiological state of animals and production metrics

Expected outcomes

- Reduce labour costs
- Improve the speed and accuracy of record keeping
- Improve data analysis capabilities

Progress

The project is being finalised and actively implemented

Implementation period

2023–2026

Access and Identification Organisation System (AIOS)

Objectives

- Ensure the passage and weighing processes of all vehicles with data transfer to the accounting system without human involvement
- Develop and implement of the AIOS at the production site

Outcomes

- Automated passage and weighing of different categories of vehicles (98% of passages)
- Development and successful implementation of the AIOS

Progress

The project was successfully completed. It was decided to roll out the system further

Implementation period

2023–2024

Rusagro Group's key technology projects in 2024

Agriculture Business

Implementation of the Field History platform

Objectives

- Develop and roll out the Field History Cloud Service software into the Agriculture Business IT landscape; integrate internal systems (accounting system, access control and management system, meta algorithm, strat algorithm, lane guidance system) as part of the transition to Russian software and replacement of the foreign Cropwise solution
- Connect 220 users (automated workspaces) to Field History Cloud Service software by 2026

Progress

1st and 2nd stages of the project completed. Implementation done

Implementation period

2023–2025

Monitoring of mineral fertiliser stock flow

Objective

- Expand the existing mineral fertiliser (MF) stock flow process by obtaining information on the weight of MF, identifying MF containers, automating the process of transferring MF to production facilities, and identifying recipients through the neural networks

Progress

The project successfully completed

Implementation period

2022–2024

Autopilot 3.0

Objectives

- Automate agricultural machinery operations in the field
- Increase machinery productivity and reduce fuel and lubricant costs through the use of navigation equipment, RTK-gsm correction, and adoption of the lane guidance parallel driving system

Progress

The project is in its final stage of completion

Implementation period

2023–2025

Rusagro Group's key technology projects in 2024

Agriculture Business

Strategic algorithm

Objectives

- Automate generation of optimal crop rotations combined with a production programme for each field designed to maximise cash flow within a strategic planning horizon, using modelling and optimisation tools

Progress

The project successfully completed

Implementation period

2021–2024

Meta algorithm

Objectives

- Maximise profit by minimising the possibility of lower yields and properly allocating/using resources for technological operations
- Reduce yield losses in the fields during the harvesting period

Progress:

The project successfully completed

Implementation period

2021–2024

Digital farmer

Objectives

- Ensure capacity utilisation
- Develop a programme to increase sunflower production and yield to 17.3 dt/ha and increase the revenue of growers
- Provide agricultural producers with recommended production technologies and access to various financing options
- Generate additional revenue for Rusagro Group by creating new processes and services for other companies
- Generate savings by optimising and automating existing processes

Progress

The project successfully completed

Implementation period

2023–2024

Rusagro Group's key technology projects in 2024

Combined Oil and Fats Business

Digital pricing management and forecasting product based on Big Data

Objectives

- Increase revenue
- Improve product margins

Progress

The project successfully completed

Implementation period

2022–2024

Management of elevator, oil extraction plant, and fats plant

Objectives

- Create a unified digital environment for end-to-end automated management accounting
- Improve production efficiency by reducing the likelihood of downtime, stoppages, and reduced productivity due to a shortage or absence of raw materials

Progress

The project in progress

Implementation period

2023–2026

Implementation of an integrated business planning system for the Combined Oil and Fats Business

Objectives

- Develop a digital model for the following focus areas:
 - Forecasting demand and formulate an optimal sales and inventory plan for finished products
 - Planning finished production
 - Planning marketing and distribution
 - Planning the need for raw materials and supplies and packaging materials at horizons ranging from four weeks to 18 months
- Schedule production

Progress

The project in progress

Implementation period

2024–2027

Rusagro Group's key technology projects in 2024

Sugar Business

Implementation of a yard management system

Objectives

- Minimise the impact of the human factor on the vehicle weighing process
- Digitise weighing data
- Automate the detection of weight deviations from delivery document specifications. Prevent incidents of theft by monitoring the weight of the vehicle and comparing it with the weight of the shipment
- Automatically record the time of key technological operations at the facility

Progress

The project in progress

Implementation period

2022–2025

Mobile version of TOIR (equipment repairs and maintenance) app

Objectives

- Improve the accuracy of information in terms of actual labour intensity and the scope of maintenance and repair work
- Expedite equipment defect reporting
- Reduce repair costs and increase the quality repair work
- Increase labour productivity

Progress

The project successfully completed

Implementation period

2021–2024

Cybersecurity

Being aware of the risks associated with cybersecurity and the repercussions of their potential realisation therefore, Rusagro Group takes advancements in this area seriously. Over the past few years, Rusagro Group has been working with Rusagro Tech to develop and put in place a business-oriented information security system, which was successfully completed in 2024.

For more details on this system, see the Cybersecurity and Data Protection subsection of the Corporate Governance section, [p. 219](#)



Developments and research in 2024

Meat Business



Rusagro Group's Meat Business continuously implements projects to ramp up production capacity and expand the product range, develop 'champion' products and increase market share and exposure of the Slovo Myasnika brand. Efforts are made to review and explore opportunities for generation of additional profits from processing the livestock by-products.

In 2023–2024, our R&D team homed in on the processing of generated waste in a biogas plant to produce electricity and organic fertiliser, representing a synergistic action of three business segments: Meat, Sugar and Agriculture. Using bacteriophages in the treatment plan and feeding *Chlorella* suspension were two novel ways to increase the safety and immunity of piglets.



Oil and Fats Business

In the Oil and Fats segment, Rusagro Group rolls out projects to improve product quality and product development in three areas. Tasked with integrating NMKG into the Rusagro Group system in 2024, the Company's Combined Oil and Fats Business established a R&D function with a single structure and streamlined operating processes. Furthermore, the key existing range of oil and fats products was transferred between the sites of the combined holding company in order to minimise logistics costs for raw material supply and finished product delivery.

Due to the introduction of regulations on the content of glycidyl ethers in the production of edible fats and oils from 2025, Rusagro Group has successfully prepared and implemented effective operating principles for all refining sites of Combined Oil and Fats Business.



Food Service segment

Range of SmartChef sauces for the HoReCa customer-oriented distribution channel

1

The range includes tomato ketchup, cheese sauce, mustard sauce, barbecue sauce and original mustard sauce. They have a rich flavour and are suitable for a wide range of culinary applications

Range of sauces for the restaurant chain

2

The range includes Four Cheese, Sour Cream & Onion, Cheese (cheddar-chorizo), Cheese and BBQ sauces in different forms. The products are gastronomically tailored and designed to guarantee guest satisfaction

Oil and Fats Business



FMCG products segment

Chef's Barbecue Sauce from Astoria brand

1

The sauce was exclusively crafted for the X5 chain in cooperation with Kote Oganezov, a culinary expert. The unique recipe blends elements of traditional gastronomy and modern culinary trends, making the product an optimal choice for serving with meat dishes and snacks

Range of light dressing sauces 'Spicy Basil and Parmesan', 'French Spices and Garlic', 'Honey Mustard' of the Ya Lublu Gotovit brand

2

With reduced fat content (15%) and a natural ingredient-based composition, these sauces are the best choice for salad dressings. They give a balanced flavour without sacrificing the essentials of healthy eating

Ya Lublu Gotovit brand's line of tomato-based cooking sauces

3

Natural sauces with a high content of diced vegetables and spices, with a rich flavour and aroma. Ideal for stewing, roasting and baking of meat and vegetable dishes

Range of 10%, 20%, 33% fat for the B2C segment

4

Natural cream is ideal for both home and professional cooking in HoReCa. They give sauces, desserts and other dishes a rich, creamy texture and deep flavour, ensuring high quality culinary products

Cream soap range of the Monpari brand

5

Premium skincare product. Natural oils and carefully selected ingredients help to cleanse and moisturise the skin, leaving it feeling smooth and soft

Industrial fats segment

Range of speciality fats and cocoa butter substitute for the production of confectionery icing

1

The products deliver stable texture, optimum processing properties and high quality finished products

Specialised fats were crafted for aquaculture feed production

2

The products have a balanced composition, contribute to the nutritional performance of feed and meet industry requirements for quality and safety

Development of human capital

The steady expansion of every business segment within Rusagro Group is largely dependent on the development of human capital.

In 2024, Rusagro Group continued its efforts in human capital development in several key areas:



Over the last five years, the Company's average headcount has grown

by **56%**



to **30.8**
thousand people
in 2024



Attraction of young talent



Internal training systems



Healthcare and motivation

Internal training systems

In 2023–2024, following the transition from SAP SuccessFactors platform to the home-made Mirapolis solution, employees continued fully-fledged training through the Distance Learning System (DLS).

For more details on Rusagro's human capital development results, [see p. 168](#)

