



SUGAR BUSINESS

Nº2

Rusagro Group's position among sugar
producers in Russia



Overview of the Russian sugar market in 2024



43.9 -3%
MN TONNES

volume of processed sugar beet in Russia in 2024

15.4%

Rusagro Group's share in Russian sugar production in 2024

6.7 +0.3%
MN TONNES

sugar production in Russia in 2024

999 +51%
THS TONNES

sugar exports from Russia in 2024

273 +43%
THS TONNES

sugar imports to Russia in 2024

Production

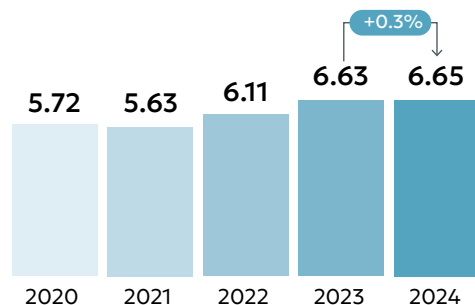
6.7 +0.3%
MN TONNES

sugar production in Russia in 2024

The Union of Sugar Producers of Russia reported that with 6.7 million tonnes produced in 2024, sugar production remained nearly flat with the last year's level (+0.3% year-on-year). Carryover balances as of 31 December 2024 total 4,014 thousand tonnes, up 1% over figures at same date in 2023.

In 2024, the sugar production season started on 1 August and is expected to end in the third decade of March 2024.

**Sugar production in Russia for calendar year¹,
mn tonnes**



Source: Union of Sugar Producers

¹ Sugar output data include sugar produced from molasses and raw sugar.

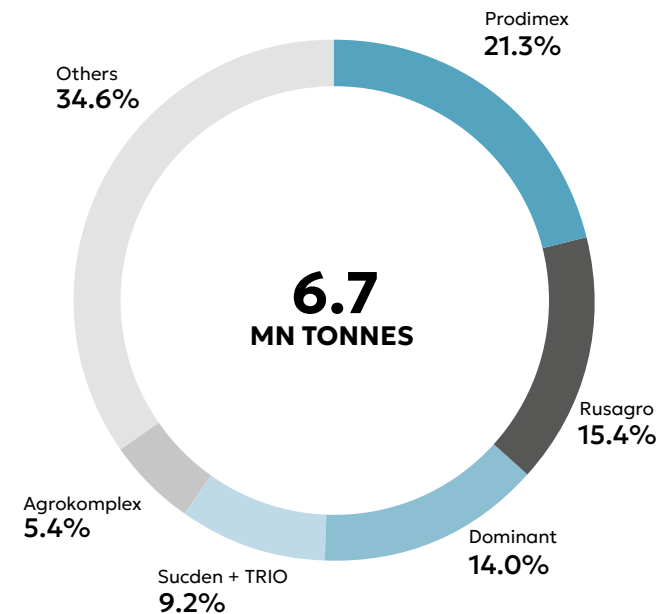
Key market players

N°2

Rusagro's position among sugar producers in Russia in 2024

At the end of 2024, the five largest companies in Russia accounted for 65.4% of total sugar production. The share of Prodimex that holds the leading position on the market climbed to 21.3% (+0.8 p.p. year-on-year) in the reporting period. The second-largest sugar producer is Rusagro with a 15.4% share of the market (+0.6 p.p. year-on-year). With the share of 14.0% (−0.6 p.p.), Dominant retained its third place. The changes in the total sugar production market shares of the companies over the reporting period were due to differences in the volume of the sugar beet harvest in the regions where the companies operate.

Largest sugar producers in Russia in 2024¹



Source: Union of Sugar Producers

Exports and imports

Exports

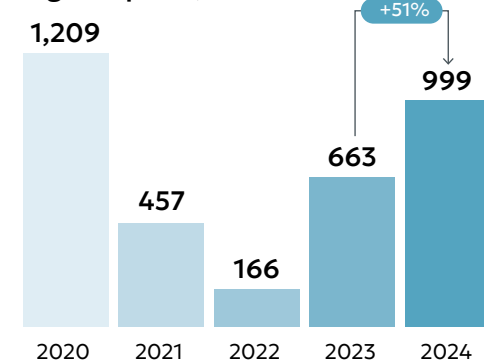
Sugar exports from Russia surged by 51% year-on-year to 999 thousand tonnes. Cross-boarder sales of sugar was boosted by output growth and strong demand in the Central Asian market, particularly in Kazakhstan and Uzbekistan.

Exports to CIS countries totalled 991 thousand tonnes, up 51% (+334 thousand tonnes) year-on-year. Exports to non-CIS countries in 2024 amounted to 7 thousand tonnes, up 22% year-on-year. Kazakhstan has historically been the biggest consumer of Russian sugar; during the reporting period, the country imported 480 thousand tonnes (+65% year-on-year, or +189 thousand tonnes) of this product. The second largest buyer in 2024 was Uzbekistan, which boosted its supplies from Russia by 138% year-on-year (+153 thousand tonnes) to 263 thousand tonnes.

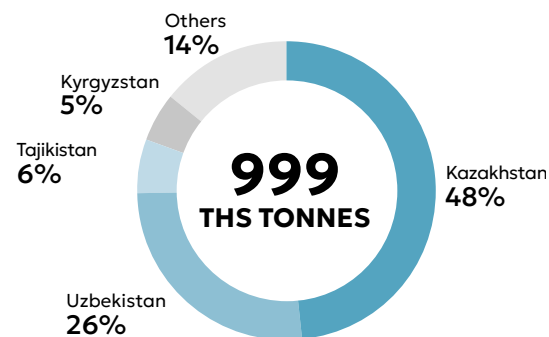
999 **THS TONNES** **+51%**

sugar exports from Russia in 2024

Sugar exports, ths tonnes



Sugar exports by destination in 2024

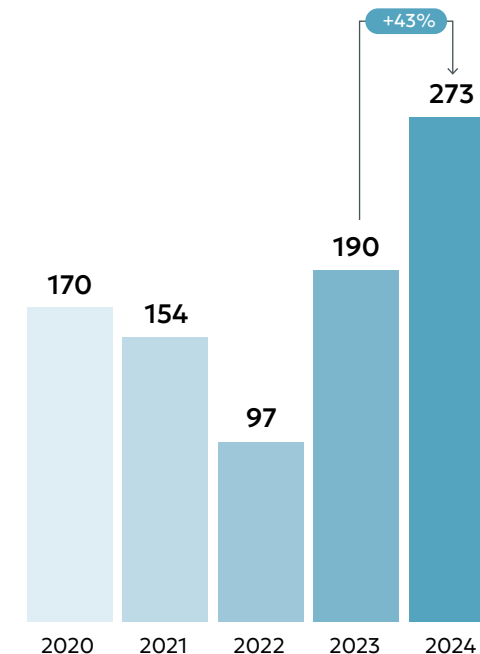


Source: Federal Customs Service of Russia

Imports

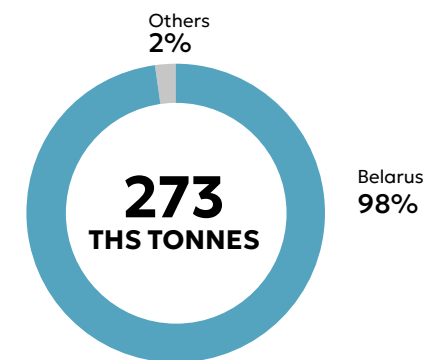
In 2024, Russia's sugar imports went up by 43% year-on-year and totalled 273 thousand tonnes. Nearly all of the sugar that was imported came from the Republic of Belarus.

Sugar imports, ths tonnes



Source: Federal Customs Service of Russia

Sugar imports by destination in 2024



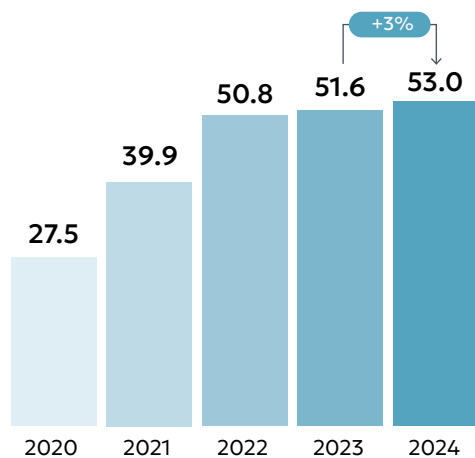
273 **THS TONNES** **+43%**

sugar imports to Russia in 2024

Prices

The average annual price of sugar according to the Krasnodar price index in 2024 was RUB 53.0/kg, excluding VAT, up 3% year-on-year. At the root of the positive price movements were high exports and stable domestic sugar consumption.

Average sugar prices in Russia according to the Krasnodar sugar price index, RUB/kg (excl. VAT)



Source: Institute for Agricultural Market Studies (IKAR)

53.0 +3% RUB/KG

average sugar price in Russia in 2024 excl. VAT



Performance of Rusagro's Sugar Business in 2024



1,049 ^{+13%} THS TONNES
sugar output in 2024



67.9 ^{+5%} RUB bn
revenue of Rusagro's Sugar Business
in 2024



13.6 ^{-29%} RUB bn
adjusted EBITDA of Rusagro Group's Sugar
Business in 2024



1,071 ^{+1%} THS TONNES
sugar sales in 2024



20% ^{-10 p.p.}
adjusted EBITDA margin of Rusagro
Group's Sugar Business in 2024

Business overview

Tambov Region



- Znamensky plant
- Nikiforovsky plant
- Zherdevsky plant

Belgorod Region



- Chernyansky plant
- Nika plant
- Valuisky plant

Kursk Region



- Krivetsky plant
- Kshensky plant

Orel Region



- Otradinsky plant

9 RUSAGRO'S SUGAR PLANTS

1 MN TONNES

Rusagro's sugar production capacity, including sugar produced from molasses

Rusagro's Sugar Business is represented by nine sugar plants located in Tambov, Belgorod, Kursk, and Orel Regions in close proximity to the areas where the Company's Agriculture Business cultivates sugar beet. In Tambov Region, the Company operates the Znamensky, Nikiforovsky, and Zherdevsky sugar plants; in Belgorod Region – the Chernyansky, Nika, and Valuisky plants; in Kursk Region – the Krivetsky and Kshensky plants; and in Orel Region – the Otradinsky plant.

At the end of 2024, the maximum sugar beet processing capacity of Rusagro's plants was 53.4 thousand tonnes of sugar beet per day.

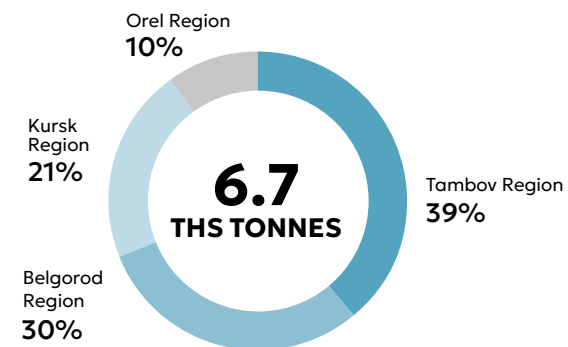
Depending on the amount of sugar content of the sugar beets, the Company can produce roughly 900 thousand tonnes of sugar during the season (August to July), excluding sugar production from molasses.

Pulp and molasses are the main by-products of Rusagro's sugar beet processing. The sugar plants process the pulp into granules and sell it on to third-party companies, while the molasses is used to produce betaine and additional sugar. The Company has two desugarisation facilities – at Znamensky and Chernyansky sugar plants – with a combined processing capacity of 327 thousand tonnes of molasses per season, allowing for extra production of 120 thousand tonnes of sugar and 30 thousand tonnes of betaine per year and thus making Rusagro one of the world leaders in the production of this amino acid.

Other assets

The Company's assets include JSC Gerkules cereal plant, which is a large grain-processing facility with its own packaging line. The plant produces buckwheat and crushed buckwheat for B2B channel and packaged buckwheat and rice – for B2C channel.

Rusagro sugar plant capacity by region in 2024



Brands

The Company's product portfolio includes five sugar brands of different price brackets: Russkii Sakhar, Chaikofsky, Brauni, Mon Café and Khoroshy, as well as the Tyoplye Traditsii brand (producing both cereals and sugar).

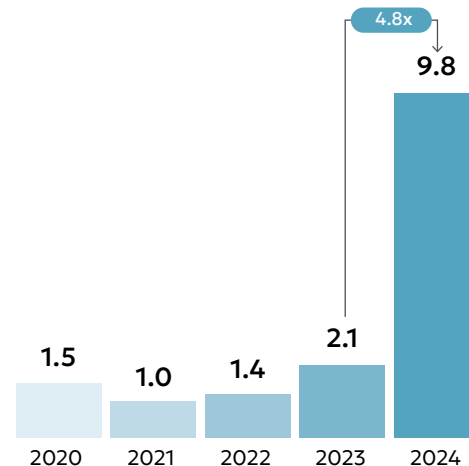


The brand's product line is regularly reviewed to capitalise on new opportunities and satisfy consumer demand in a dynamic market. In 2024, 13 new sales units of biscuits were introduced: five SKUs of sugar biscuits, four SKUs of sandwich biscuits, two SKUs of short-dough biscuits (orange-cinnamon, peanut-cocoa), two SKUs of short-dough biscuits with filling (strawberry, chocolate-nut filling).

Investments

In 2024, Rusagro invested a record RUB 9.5 billion in the development and maintenance of its Sugar Business, almost five times the previous year's level. A key project in the Sugar Business was the installation of long-term beet clamp storage systems, which will extend the sugar beet processing season, boost operational efficiency and bring about other additional benefits for the business.

Rusagro's investments in the Sugar Business, RUB bn



9.8 +4.8x RUB BN

investments of the Sugar Business in 2024



Major investment projects

Introduction of long-term beet clamp storage systems

Goal

To reduce beet storage losses through the use of advanced technologies

To extend the sugar beet processing season by 20 days, which will drive up sugar production and EBITDA of the Sugar Business

Implementation period and location

January 2024 – July 2025

9 production sites

3.5

RUB BN

Costs in 2024 (excl. VAT)

Development

Design and installation of unloading system with beet cleaning

Goal

To increase sugar output in plants due to lower sugar losses and less molasses generated

To reduce equipment wear and tear and improve the overall efficiency of the production process

Implementation period and location

January 2024 – July 2025

8 production sites

0.5

RUB BN

Costs in 2024 (excl. VAT)

Development

Improvement of Sugar Business buildings (1st stage)

Goal

To improve shop-floor working conditions by carrying out interior renovations of administrative offices, forefront and roofing repairs, and repairs of in-plant asphalted roads

Implementation period and location

January 2024 – August 2024

9 production sites

0.5

RUB BN

Costs in 2024 (excl. VAT)

Maintenance

Upgrade of the production infrastructure of sugar plants

Goal

To improve the condition of concrete beet clamp storage fields, water channels, roads and access routes to sugar beet storage stations

To increase efficiency and productivity of sugar beet storage stations during harvesting

Implementation period and location

January 2024 – July 2025

9 production sites

0.5

RUB BN

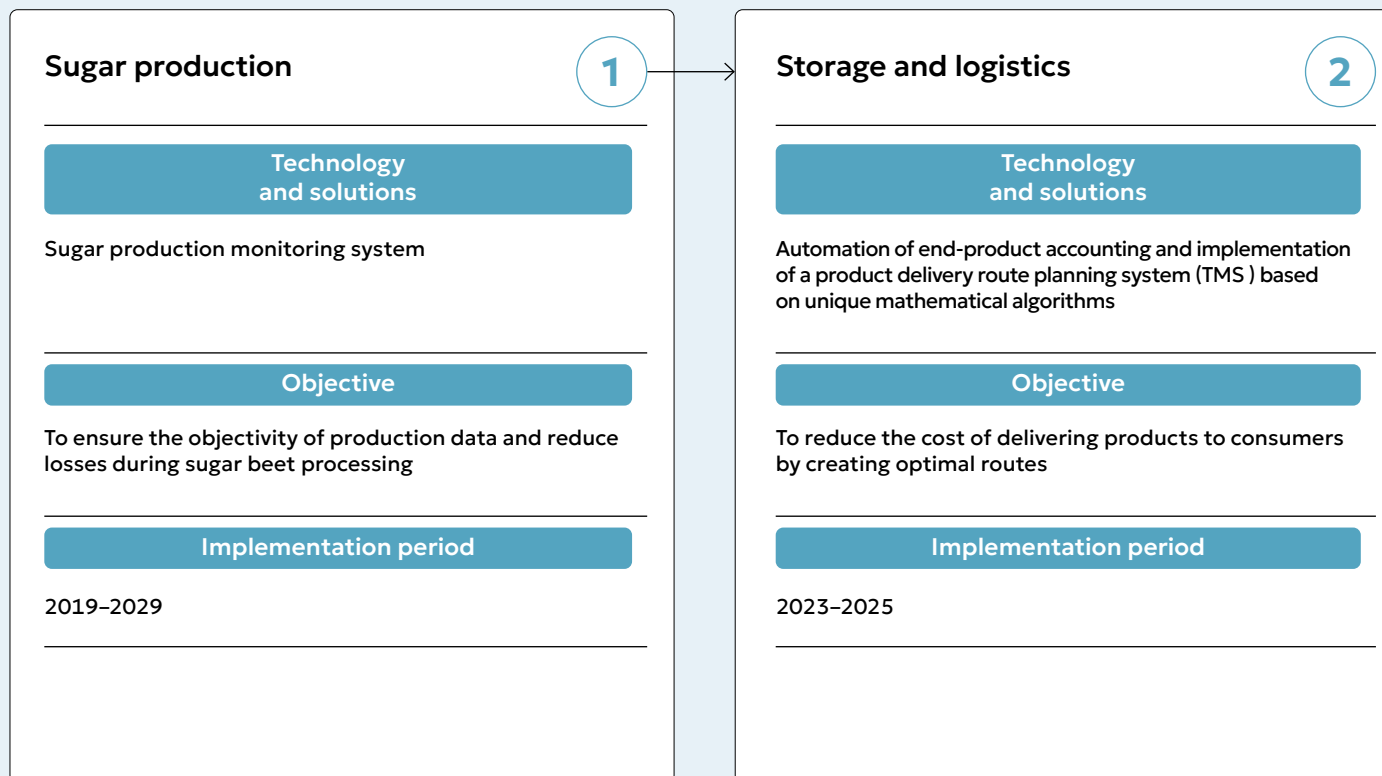
Costs in 2024 (excl. VAT)

Maintenance

Technology and innovation

Rusagro's strategic objective for its Sugar Business is to reduce sugar losses at all stages of beet sugar production. To achieve this, we apply best practices and solutions from the Industry 4.0 stack, ranging from physical devices to bioengineering solutions. At the centre are production of products and their storage and logistics. An innovative project in the area of raw material management was completed in the reporting period.

Projects being implemented as part of the strategy



Implemented projects of Rusagro's Sugar Business

Automated beet purchasing and plant logistics management system

Goal:
To reduce losses and increase the accuracy of sugar beet carryover stock management

Operating results

Production

In 2024, the volume of sugar beet processed by Rusagro's plants increased by 15% year-on-year to 6.6 million tonnes, with 4.8 million tonnes supplied from the fields of the Company's Agriculture Business. The processing volume of own raw materials grew by 19% year-on-year.

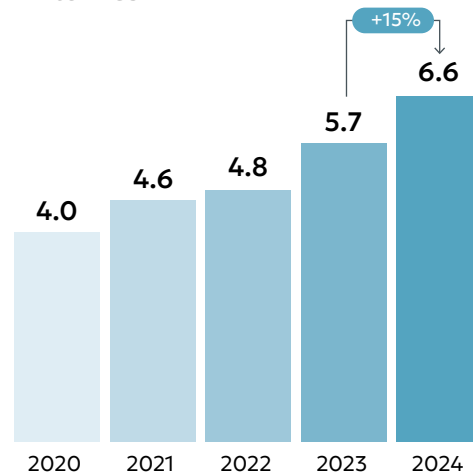
Sugar production improved by 13% year-on-year, reaching 1,049 thousand tonnes of sugar (+121 thousand tonnes). This figure includes 103 thousand tonnes (~13% year-on-year) of sugar that was produced from molasses obtained from the 2023/2024 sugar beet processing season, as well as molasses purchased externally. In addition, 247 thousand tonnes of sugar (+10% year-on-year) were produced from third-party sugar beet purchased from farmers.

The higher output of sugar in January–February 2024 is caused by higher beet harvesting in the 2023 season as compared to the previous year. The sugar production in August–December 2024 rose as a result of an earlier start of processing and higher sugar content of the new season's beet crop. Based on last year's results, the sugar content of sugar beet was 18.1%, up 0.5 p.p. year-on-year.

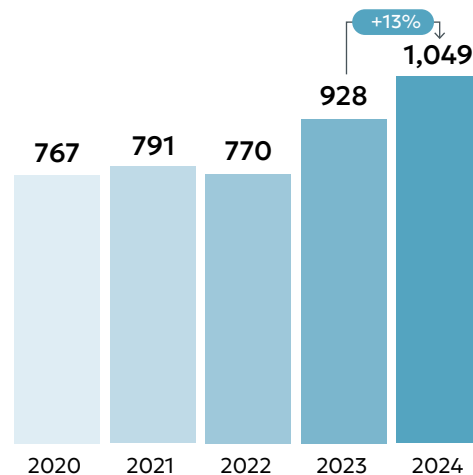
1,049 +13%
THS TONNES

Rusagro Group's sugar production in 2024

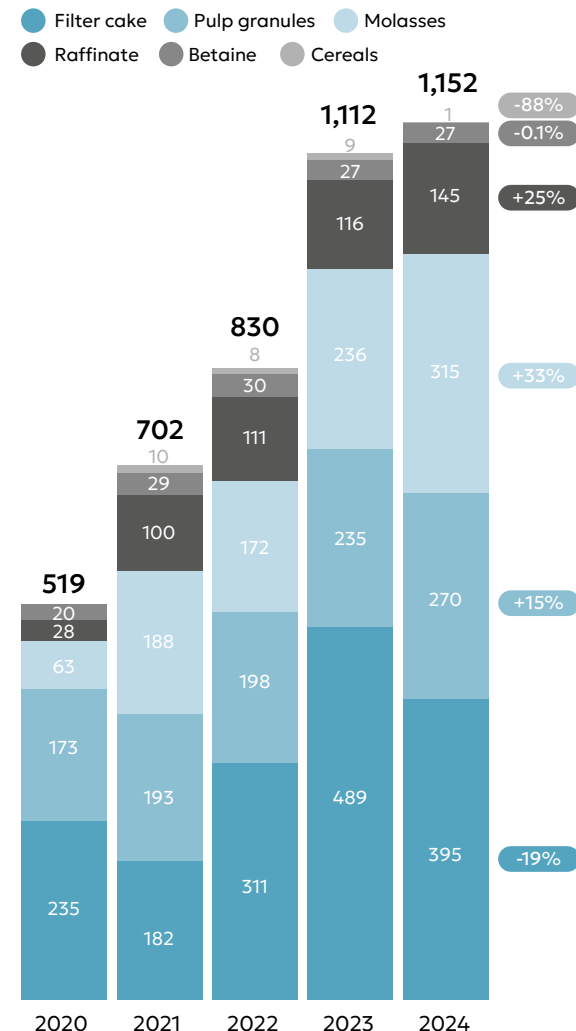
Sugar beet processed by Rusagro Group, mn tonnes



Rusagro Group's sugar production, ths tonnes



Other products produced by Rusagro Group's Sugar Business, ths tonnes



Sales

1,071 ^{+1%} **THS TONNES**
Rusagro sugar sales in 2024

Sales

Rusagro's sugar sales in 2024 grew by 1% year-on-year to 1,071 thousand tonnes (+6,000 tonnes). In the context of the temporary prohibition on Russian sugar exports from May to August 2024, sales volume expanded more slowly than production; however, this was counterbalanced by a rise in shipments at the conclusion of the reporting period under the sales plan.

Sales also included 286 thousand tonnes of pulp (+3% year-on-year) and 113 thousand tonnes of raffinade (+150% year-on-year), an increase in sales resulting from higher production volumes. Yet, sales of betaine and cereals fell to 19 thousand tonnes (-41% year-on-year) and to 2,000 tonnes (-60% year-on-year) accordingly.

Brands

In 2024, sugar sales under own brands totalled 162 thousand tonnes, up 17% year-on-year. The consumer segment (B2C) accounted for 15% of sugar sales and 21% of sugar sales proceeds.

During the reporting period, Russkii Sakhar and Chaikofsky brands continued to occupy first and second places in the Russian white cube sugar market, while Brauni again dominated the brown cube sugar market.

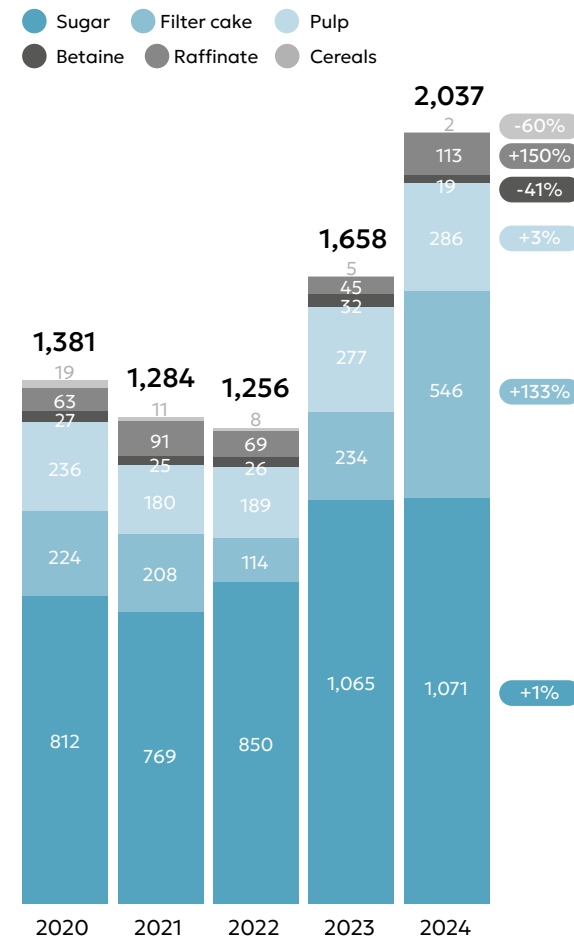
According to the AC Nielsen research for December 2024, the combined market share of Rusagro's three sugar brands (Russkii Sakhar, Chaikofsky, Mon Café) in the white cube sugar market was 53.5% (-0.8 p.p.). The Brauni brand, Rusagro's only brand in the brown cubesugar market, had a 32% share.

According to Tiburon, the Russkii Sakhar and Chaikofsky brands again demonstrated a high level of recognition in 2024. The Russkii Sakhar brand recognition rose by 4 p.p. and reached 89%, the Chaikofsky brand stood at 59% (-2.0 p.p.). At year-end, loyalty to the Russkii Sakhar brand remained flat at 50%, while loyalty to the Chaikofsky brand dropped to 24% (-1.0 p. p.).

162 **THS TONNES**
sales of branded sugar products

54%
Rusagro's total share in the white cube sugar market

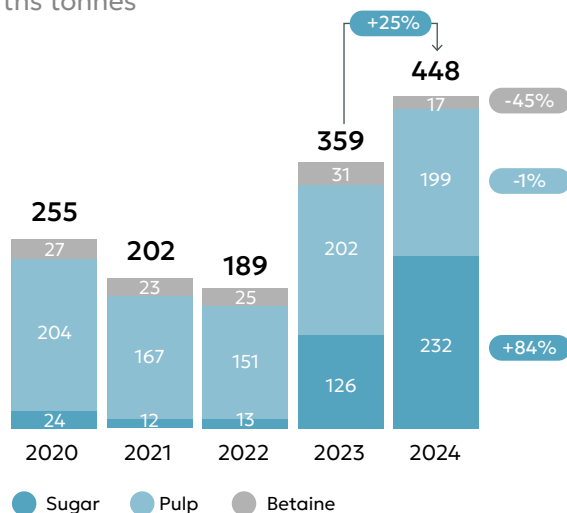
Sales of Rusagro sugar plant products, ths tonnes



Exports

In 2024, the Sugar Business exports grew by 25% year-on-year, reaching a 10-year high of 448 thousand tonnes. Sugar exports jumped by 84% year-on-year and reached 232 thousand tonnes, mainly driven by the expansion of the supply channel to Uzbekistan and Kazakhstan. With 199 thousand tonnes, export volumes of pulp remained virtually unchanged. More than half of the betaine produced was sold abroad.

Exports of Rusagro Group's Sugar Business, ths tonnes



448 +25% THS TONNES

exports of Rusagro Group's Sugar Business in 2024



Financial results

67.9 **RUB BN** **+5%**

revenue of Rusagro's Sugar Business in 2024

13.6 **RUB BN** **-29%**

adjusted EBITDA of Rusagro Group's Sugar Business in 2024

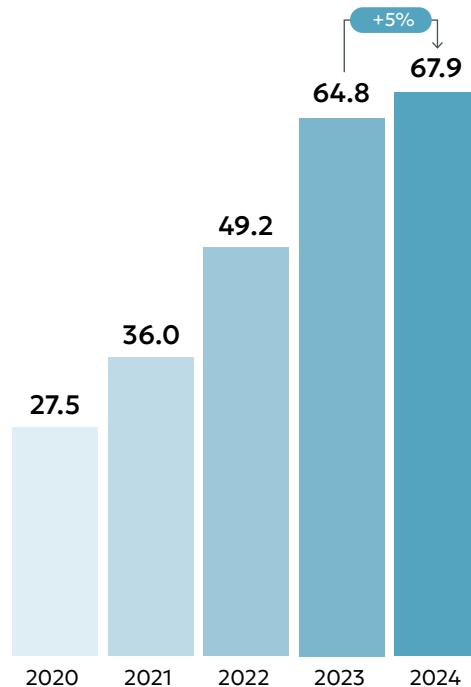
20 **%** **-10 p.p.**

Adjusted EBITDA margin

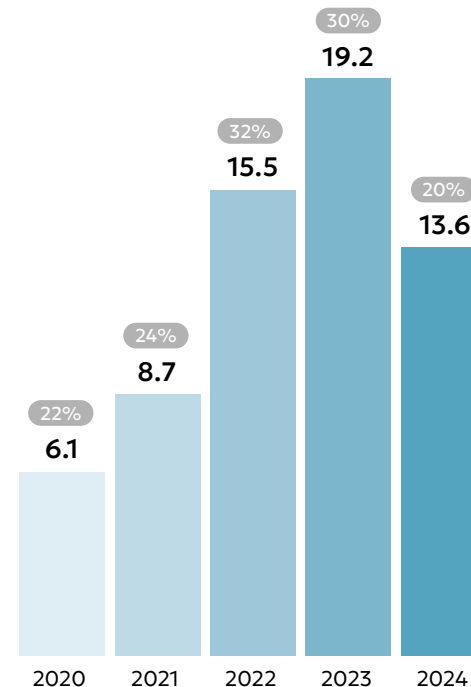
Revenue from the Sugar Business increased by 5% year-on-year to RUB 68 billion, driven by higher sugar sales volumes and positive price movements on the Russian market. Adjusted EBITDA dropped by 29% to RUB 14 billion, mainly due to higher

beet costs in sugar production in the first half of 2024, as well as higher equipment maintenance and payroll costs. Business EBITDA margin stood at 20% (-10 p.p. year-on-year).

Revenue of Rusagro Group's Sugar Business, RUB bn



EBITDA and EBITDA margin of Rusagro Group's Sugar Business, RUB bn



Adjusted EBITDA
Adjusted EBITDA margin, %